

2015 STATE OF ALABAMA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



VOLUME I: FINAL REPORT

MARCH 20, 2015

HAS YOUR RIGHT TO FAIR HOUSING BEEN VIOLATED?

If you feel you have experienced discrimination in the housing industry, please contact:

The United States Department of Housing and Urban Development

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Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
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Telephone: (202) 708-1112
Toll Free: (800) 669-9777
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Alabama Department of Economic and Community Affairs

P.O. Box 5690
Montgomery, Alabama 36103
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Local Fair Housing Organizations:

Residents of Southern Alabama Contact:

Center for Fair Housing
602 Bel Air Boulevard
Mobile, Alabama 36606
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Residents of Central Alabama Contact:

**Central Alabama Fair
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2867 Zelda Road
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Residents of Northern Alabama Contact:

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Volume I: Final Report

March 20, 2015

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EXECUTIVE SUMMARY

AI PURPOSE AND PROCESS

As a requirement of receiving funds under the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grant (ESG), states must submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three elements:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified, and
3. Maintain records reflecting the actions taken in response to the analysis.

In the *Fair Housing Planning Guide*, page 2-8, HUD provides a definition of impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect.¹

The list of protected classes included in the above definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state and local governments may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process that affirmatively furthers fair housing involves a thorough examination of a variety of sources related to housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes public input and review via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments, along with actions to overcome the identified impediments.

METHODOLOGY

As part of the consolidated planning process, and as a requirement for receiving HUD formula grant funding, the State of Alabama is undertaking this AI to evaluate impediments to fair housing choice within non-entitlement areas of the State. Residents of the State of Alabama are protected from discrimination in housing choice by the federal Fair Housing Act, which includes protections based on race, color, religion, national origin, sex, disability, and familial status².

¹ U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide*. Vol. 1, p. 2-8. http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf

² 42 U.S.C.A. §3601

The purpose of this report is to determine current impediments to fair housing choice at work in Alabama and to suggest actions that the state can consider in order to overcome the identified impediments. Thus, this report represents only the first step in the three-part certification process presented on the previous page.

This AI was conducted through the assessment of a number of quantitative and qualitative sources. Quantitative sources used in analyzing fair housing choice in the State of Alabama included:

- Socio-economic and housing data from the U.S. Census Bureau,
- Employment data from the U.S. Bureau of Labor Statistics,
- Economic data from the U.S. Bureau of Economic Analysis,
- Investment data gathered in accordance with the Community Reinvestment Act,
- Home loan application data from the Home Mortgage Disclosure Act, and
- Housing complaint data from HUD.

Qualitative research included evaluation of relevant existing fair housing research and national and state fair housing legal cases. Additionally, this research included the evaluation of information gathered from several public input opportunities conducted in relation to this AI. This also included the 2014 Impediments to Fair Housing Choice Survey, a Fair Housing Forum discussion held in Orange Beach on November 13, 2014, and a series of focus groups held with local stakeholders and professionals in the housing industry.

Geographic analyses of racial and ethnic population distributions were conducted by calculating race or ethnicity as the percentage of total population and then plotting the data on a geographic map of Census tracts in the State of Alabama. For the purposes of this AI, maps were produced for several racial and ethnic groups based on both 2000 and 2010 Census data in order to examine how the concentrations of these populations changed over time. Five-year ACS estimates from 2012 were also used for selected maps.

Ultimately, the following list of impediments was drawn from these sources and further evaluated based on HUD's definition of impediments to fair housing choice, as presented on the previous page. The impediments to fair housing choice present within the State were identified; along with actions the State may consider in attempting to overcome the identified impediments.

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

The following impediments to fair housing choice were identified through review of data gathered from the above-mentioned sources, and actions were proposed to address those impediments. The State of Alabama, through ADECA as its representative, provided feedback on the impediments, and the identified and actions proposed to address those impediments. As per the request of the State, its responses to the identified impediments and proposed actions have been included in full in Appendix E.

Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: More frequent denial of home purchase loans to black, Hispanic, and female householders. This impediment was identified through review of data on home purchase loans gathered under the Home Mortgage Disclosure Act. These data include information on the purpose of the loan; the loan amount; the occupancy status of the prospective unit; the race, sex, and ethnicity of the applicant; the outcome of the loan application; reasons for loan denials; the income of the applicant; and whether or not the loan is a high-interest rate loan. The data provide an index of the experience of loan applicants, and allow for a determination of whether or not those applicants are more or less likely to be denied if they are black, Hispanic, or female.

According to these data, the average black loan applicant in the state's non-entitlement areas was almost twice as likely to be denied a home purchase loan as the average white loan applicant. Similarly, 30.7 percent of loan applications from female applicants were denied, compared to a denial rate of 22 percent for male applicants, and the denial rate for Hispanic applicants, 29.6 percent, exceeded that of non-Hispanic applicants by over six percentage points. These data do not necessarily indicate that lenders throughout the state have engaged in a pattern of illegal discriminatory lending; however, differential denial rates do present an impediment to those in protected classes who are subject to higher denial rates.

Action 1.1: Conduct outreach and education of prospective housing consumers on how to acquire and keep good credit.

Measurable Objective 1.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 2: Apparent predatory lending falls more heavily on black borrowers. This impediment was identified through review of data gathered under the HMDA, which related in part to the prevalence of high annual percentage rate loans (HALs) among home purchase loans issued in non-entitlement areas of the state. According to these data, over one quarter of the loans issued to black borrowers in the state's non-entitlement areas were HALs, compared to a HAL rate of 16.3 percent for white borrowers and an overall HAL rate of 17.3 percent. These HALs indicate the proportion of persons carrying a higher risk of foreclosure, with black borrowers carrying a higher share of such loans.

Action 2.1: Conduct outreach and education of prospective housing consumers on the attributes of a predatory style loan.

Measurable Objective 2.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 3: Discriminatory terms, conditions, privileges, or facilities relating to rental. This impediment was identified through review of fair housing complaints lodged with the U.S. Department of Housing and Urban Development (HUD), the 2014 Real Estate Professionals Focus Group, and cases lodged by the DOJ against state housing providers on behalf of Alabama residents. Fair housing complaints pertaining to perceived discrimination in the rental housing market were the most common type of complaint with respect to the discriminatory action alleged complaints; this was true for all complaints in general as well as those considered to have cause. In addition, participants in the rental focus group discussion

perceived discrimination to be more pronounced in the rental market than in the real estate market. The relative prevalence of discrimination in the rental market was born out to some degree by DOJ cases filed in the state over the last decade, eleven of which concerned discrimination in the rental housing market (out of fifteen total).

Action 3.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law, in partnership with state FHIP grantees.

Measurable Objective 3.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 4: Discriminatory refusal to rent. This impediment was identified through review of fair housing complaints submitted to HUD and the 2014 Real Estate Professionals Focus Group. Approximately fifteen percent of complaints cited discriminatory refusal to rent, specifically, and as noted above, complaints alleging violations of fair housing laws in the state's rental markets more generally were relatively common. In addition, participants in the rental focus group discussion perceived discrimination to be more pronounced in the rental market than in the real estate market. Finally, as stated above, eleven out of fifteen DOJ cases against housing providers in Alabama concerned discrimination in rental housing.

Action 4.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law.

Measurable Objective 4.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 5: Failure to make reasonable accommodation or modification. This impediment was identified through review of fair housing cases lodged by the Department of Justice against housing providers in Alabama, complaints submitted to HUD by or on behalf of Alabama residents, and minutes from focus group discussions. Of the fifteen fair housing cases in Alabama that HUD referred to the Department of Justice over the last decade, six of them concerned housing discrimination on the basis of disability, with failure to make reasonable accommodation a common accusation. In addition, disability was cited as the discriminatory basis in 45 percent of all complaints lodged with HUD from 2004 through 2014, and failure to make reasonable accommodation was a specific allegation in more than one-fifth of all complaints. Among complaints considered to have cause, disability was the most common perceived basis for discrimination.

Action 5.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law.

Measurable Objective 5.1: Number of outreach and education activities undertaken and number of participants in those activities.

Action 5.2: Conduct audit testing to determine the number of properties currently in violation of disability standards.

Measurable Objective 5.2: Number of audit tests undertaken and properties identified as potentially in violation of disability standards.

Impediment 6: Insufficient understanding of fair housing laws. This impediment was identified through review of the 2014 Impediments to Fair Housing Choice Survey and the

2014 Real Estate Professionals Focus Group. More than half of respondents considered “lack of knowledge or understanding regarding fair housing” to represent an impediment in the State of Alabama, and 30 percent classified it as a moderate or severe impediment. The lack of understanding regarding fair housing laws was also a subject in the Rental Focus Group. One respondent maintained that, due to a lack of fair housing training, “people have no idea... that [the fair housing law] is even there to protect them...”

Action 6.1: Enhance outreach and education by conducting more education opportunities for both consumers and providers of housing

Measurable Objective 6.1: Number of outreach and education activities undertaken and number of participants in those activities.

Action 6.2: Make available both the summary and the entire study, the 2015 Analysis of Impediments to Fair Housing Choice

Measurable Objective 6.2: Publication of the summary and study on ADECA’s website.

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Insufficient fair housing testing and enforcement in non-entitlement areas of Alabama. Three fair housing organizations in the state were contacted in connection with the AI effort, and asked to provide information relating to fair housing activities undertaken in non-entitlement areas of the state, including complaint intake and fair housing testing. None of these organizations provided information concerning complaints they had receive or testing they had conducted, or responded to these requests for information in any way, and one has lost its HUD funding and is largely inactive. The perception that fair housing enforcement in the state’s non-entitlement areas was insufficient was shared in commentary at the Fair Housing Forum.

Action 1.1: Contract with a Fair Housing Initiative Program (FHIP) participant or other entity to conduct testing and enforcement activities in the non-entitlement areas of Alabama

Measurable Objective 1.1: Record of correspondence with FHIP participants or other entities, contracts entered into, and resources committed to testing and enforcement activities.

Action 1.2: Track the outcome of this testing activity

Measurable Objective 1.2: Number of tests undertaken and the results of such testing, concluding types of violations discovered, if any, and protected classes impacted by those violations.

Impediment 2: Lack of Fair Housing Initiative Program (FHIP) participation in non-entitlement areas of Alabama. Though residents of southern and central Alabama appear to be served by the Center for Fair Housing and the Central Alabama Fair Housing Center, respectively, residents of northern Alabama are not currently served by a FHIP participant. The fair housing organization operating in that part of the state is not a current FHIP grantee. This organization does not currently operate a website that would allow members of the public to learn more about its work, or fair housing in general, or to contact them directly with fair housing complaints. In addition, participation of FHIP grantees in the AI process was lacking: though the three fair housing organizations were contacted during the AI process, and were

asked to provide information relating to their complaint intake and enforcement activities, none has done so.

Action 2.1: Contract with a Fair Housing Initiate Program (FHIP) participant or other entity to conduct testing and enforcement activities in the non-entitlement areas of Alabama

Measurable Objective 2.1: Record of correspondence with FHIP participants or other entities, contracts entered into, and resources committed to testing and enforcement activities.

Action 2.2: Require periodic reporting of activities undertaken

Measurable Objective 2.2: Reports submitted by participating FHIP grantees, or other entities, to ADECA on a quarterly basis, and the number and type of fair housing activities undertaken in the state's non-entitlement areas

Impediment 3: Lack of understanding of the fair housing laws and duties. This impediment was identified through review of the 2014 Impediments to Fair Housing Choice Survey. More than half of respondents considered "lack of knowledge or understanding regarding fair housing" to represent an impediment in the State of Alabama, and 30 percent classified it as a moderate or severe impediment. The lack of understanding regarding fair housing laws was also a subject in the Real Estate Professionals Focus Group. One respondent maintained that, due to a lack of fair housing training, "people have no idea... that [the fair housing law] is even there to protect them..."

Action 3.1: Form a task force to oversee the contracted FHIP entity or other entity

Measurable Objective 3.1: Formation of the task force

Action 3.2: Have the task force consider other things that ADECA can do to affirmatively further fair housing, particularly in light of budgetary constraints

Measurable Objective 3.2: Recommendations from the task force, developed in consultation with state FHIP grantees or other entities, on how to affirmatively further fair housing

Action 3.3: Have the task force meet quarterly to review the quarterly report from the FHIP and consider new business

Measurable Objective 3.3: Record and minutes of quarterly meetings

Action 3.4: Conduct outreach and education to both consumers and providers of housing

Measurable Objective 3.4: Number of outreach and education activities undertaken and the number of participants in those activities.

Action 3.5: Coordinate outreach activities during Fair Housing Month, April of each year

Measurable Objective 3.4: Record of outreach activities undertaken in partnership with state FHIP participants, or other entities

Impediment 4: Limited enforcement of the State of Alabama Fair Housing Law. The State of Alabama Fair Housing Law (Ala. Code §24-8-1 et seq.) provides for a range of legal rights pertaining to fair housing, roughly corresponding to those provided for in the federal Fair Housing Act. In addition, the state Fair Housing Law establishes a procedure by which the State will accept complaints and investigate claims of discrimination in the housing market, and identifies the Alabama Department of Economic and Community Affairs (ADECA) as the agency responsible for

carrying out the provisions of the law. (The full text of the Alabama Fair Housing Law is included in **Appendix F.**)

However, the resources available to enable ADECA to enforce the state fair housing law are limited, particularly in light of the agency's responsibility to conduct the economic and community development activities that represent the core of its mission. Nevertheless, as the Alabama agency vested with the responsibility to provide recourse to those who feel that they been subjected to unlawful discrimination in the housing market, ADECA should seek avenues by which it may more actively promote the enforcement of the state's fair housing law. Such avenues should include closer coordination and cooperation with the state's Fair Housing Initiative Program Grantees and other fair housing organizations.

Action 4.1: Include language on ADECA's website noting that discrimination in the housing market is illegal under state as well as federal law, defining the classes that are protected under state law, examples of violations of the law, and who is covered under state law.

Measurable Objective 4.1: Inclusion of the language described above on the ADECA website

Action 4.2: Establish a process by which ADECA will accept complaints from those who feel that they have been subject to illegal discrimination in the housing market, advertise how the process works, and include housing complaint forms on ADECA's website notifying residents where to file and who to contact.

Measurable Objective 4.2: Development of complaint process, publication of complaint process on ADECA's website, including web links to complaint forms

Action 4.3: Establish a procedure for investigation of fair housing complaints, or partnerships with non-profit fair housing organizations to that end, within the limits of the State Fair Housing Law. Document this process on the ADECA website.

Measurable Objective 4.3: Establishment and documentation of the procedure

SECTION I. INTRODUCTION

Title VIII of the 1968 Civil Rights Act, also known as the Federal Fair Housing Act, made it illegal to discriminate in the buying, selling, or renting of housing based on a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Federal fair housing statutes are largely covered by the following three pieces of U.S. legislation:

1. The Fair Housing Act,
2. The Housing Amendments Act, and
3. The Americans with Disabilities Act.

The purpose of fair housing law is to protect a person's right to own, sell, purchase, or rent housing of his or her choice without fear of unlawful discrimination. The goal of fair housing law is to allow everyone equal access to housing.

WHY ASSESS FAIR HOUSING?

Provisions to affirmatively further fair housing are long-standing components of the U.S. Department of Housing and Urban Development's (HUD's) housing and community development programs. These provisions come from Section 808(e) (5) of the federal Fair Housing Act, which requires that the Secretary of HUD administer federal housing and urban development programs in a manner that affirmatively furthers fair housing.

In 1994, HUD published a rule consolidating plans for housing and community development programs into a single planning process. This action grouped the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG)³, and Housing Opportunities for Persons with AIDS (HOPWA) programs into the Consolidated Plan for Housing and Community Development, which then created a single application cycle.

As a part of the consolidated planning process, states and entitlement communities that receive such funds as a formula allocation directly from HUD are required to submit to HUD certification that they are affirmatively furthering fair housing. In the State of Alabama, the cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa must also certify that they are affirmatively furthering fair housing (AFFH), along with the counties of Jefferson and Mobile. The Alabama Department of Economic and Community Affairs (ADECA) certifies for the remainder of the state, herein referred to as "non-entitlement areas". The AFFH certification process has three parts:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified through the analysis, and

³ In 1994, the Emergency Solutions Grants program was called the Emergency Shelters Grants program.

3. Maintain records reflecting the analysis and actions taken.

In the *Fair Housing Planning Guide*, page 2-8, HUD notes that impediments to fair housing choice are:

- “Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect.”⁴

State and local governments may also enact fair housing and anti-discrimination laws, which may extend protections against discrimination to groups who are not included in the federal Fair Housing Act. Title 24 at Chapter 8 of Alabama’s State Code, also known as the “Alabama Fair Housing Law”, enshrines protection from housing discrimination in state law; however, the law does not extend additional protections to groups that are not protected by the federal FHA.⁵

It is essential to distinguish between fair housing and production of affordable housing. As discussed above, fair housing protections at the federal level do not include consideration of income and do not address housing affordability outside the context of housing discrimination. While lack of affordable housing can be a significant concern to policymakers, it is not, on its own, a fair housing problem unless members of protected classes face this issue disproportionately. In fact, a large increase in affordable units in close proximity to one another can contribute to a problem for fair housing choice in some cases, such as the concentration of racial or ethnic minorities.

PURPOSE OF THIS RESEARCH

HUD interprets the broad objectives of affirmatively furthering fair housing to include:

- “Analyzing and working to eliminate housing discrimination in the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to, and usable by, all persons, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.”⁶

The objective of the 2015 AI process was to research, analyze, and identify prospective impediments to fair housing choice throughout non-entitlement areas of the State. The goal of the completed AI is to suggest actions that the State can consider when working toward eliminating or mitigating the identified impediments.

⁴ *Fair Housing Planning Guide*.

⁵ Ala. Code §24-8-1, et seq.

⁶ *Fair Housing Planning Guide*, p.1-3.

LEAD AGENCY

The agency that led the effort of preparing this report on behalf of the State of Alabama was the Alabama Department of Economic and Community Affairs (ADECA).

Commitment to Fair Housing

In accordance with the applicable statutes and regulations governing the Consolidated Plan, the State certifies that it will *affirmatively further fair housing* (AFFH). This statement means that they have conducted an AI, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and will maintain records that reflect the analysis and actions taken in this regard.

GEOGRAPHIC SCOPE OF THE ANALYSIS

This AI addresses the status of fair housing within non-entitlement areas of the State of Alabama. As such, data from the entitlement cities of Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa are excluded from this analysis, along with Jefferson and Mobile County. Map I.1 on the following page, displays the State of Alabama along with the areas encompassed by those entitlement jurisdictions, which are white on this map.

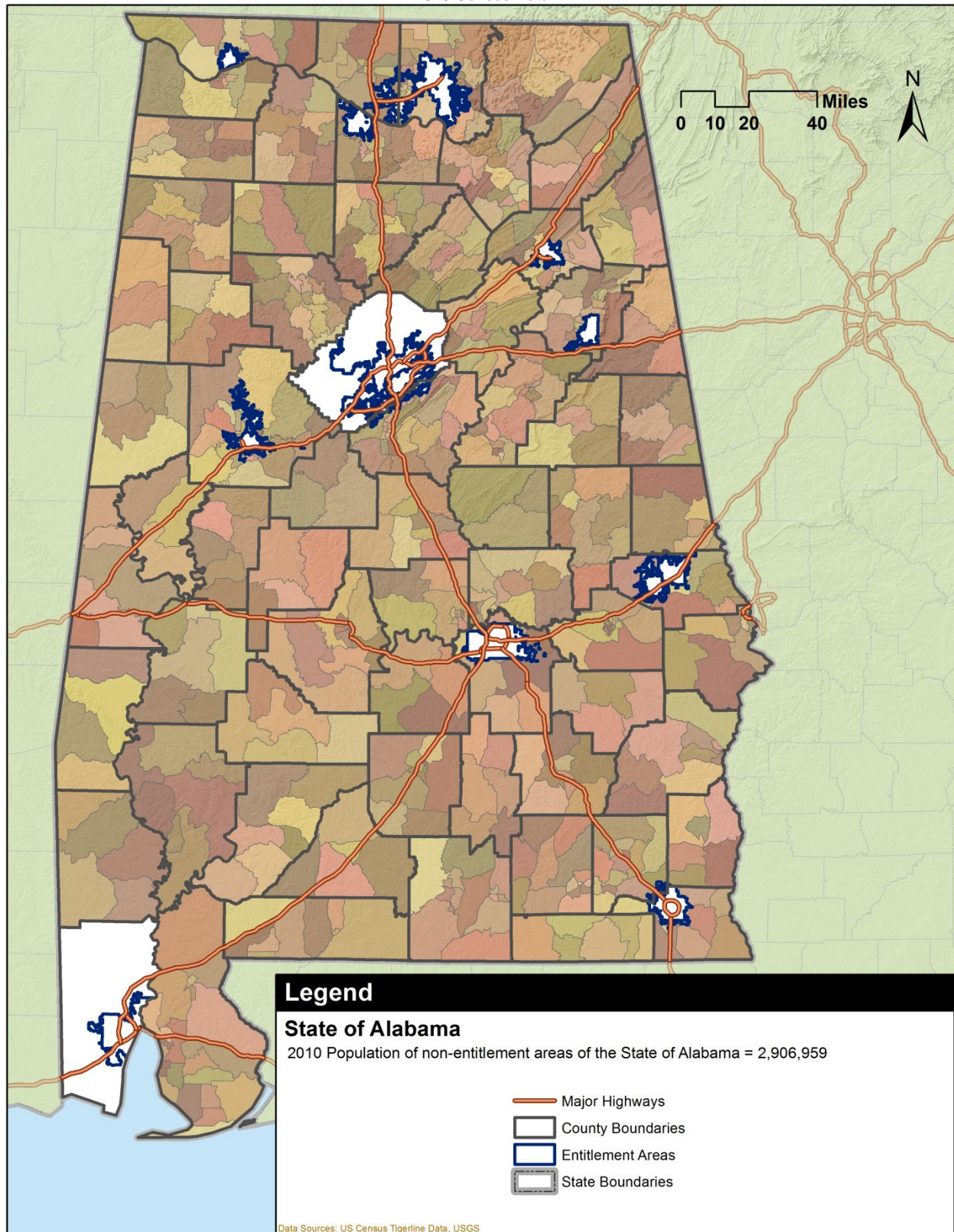
RESEARCH METHODOLOGY

The AI process involves a thorough examination of a variety of data related to housing, particularly for persons who are protected under fair housing laws. AI sources include Census data, employment and income information, home mortgage application data, business lending data, fair housing complaint information, surveys of housing industry experts and stakeholders, and related information found in the public domain. Relevant information was collected and evaluated via four general approaches:

1. *Primary Research*, or the collection and analysis of raw data that did not previously exist;
2. *Secondary Research*, or the review of existing data and studies;
3. *Quantitative Analysis*, or the evaluation of objective, measurable, and numerical data; and
4. *Qualitative Analysis*, or the evaluation and assessment of subjective data such as individuals' beliefs, feelings, attitudes, opinions, and experiences.

Some baseline secondary and quantitative data were drawn from the Census Bureau, including 2000 and 2010 Census counts, as well as American Community Survey data averages from 2008 through 2012. Data from these sources detail population, personal income, poverty, housing units by tenure, cost burdens, and housing conditions. Other data were drawn from records provided by the Bureau of Labor Statistics, the Bureau of Economic Analysis, and a variety of other sources. The following narrative offers a brief description of other key data sources employed for the 2015 AI for the State of Alabama.

Map I.1
Alabama Study Area
 Non-Entitlement Areas of Alabama
 2010 Census Data



Home Mortgage Disclosure Act Data

To examine possible fair housing issues in the home mortgage market, Home Mortgage Disclosure Act (HMDA) data were analyzed. The HMDA was enacted by Congress in 1975 and has since been amended several times. It is intended to provide the public with loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to assist in identifying possible discriminatory lending patterns. HMDA requires lenders to publicly disclose the race, ethnicity, and sex of mortgage applicants, along with loan application amounts, household income, the Census tract in which the home is located, and information concerning prospective lender actions related to the loan application. For this analysis, HMDA data from 2004 through 2013 were analyzed, with the measurement of denial rates by Census tract and by race and ethnicity of applicants the key research objectives. These data were also examined to identify the groups and geographic areas most likely to encounter higher denial rates and receive loans with unusually high interest rates.

Fair Housing Complaint Data

Housing complaint data were used to analyze discrimination in the renting and selling of housing. HUD provided fair housing complaint data for the State from 2004 through 2014. This information included the basis, or protected class pursuant to the complaint; the issue, or prospective discriminatory action, pursuant to the grievance; and the closure status of the alleged fair housing infraction, which relates to the result of the investigation. The review of 363 fair housing complaints from within non-entitlement areas of the State allowed for inspection of the tone, the relative degree and frequency of certain types of unfair housing practices, and the degree to which complaints were found to be with cause. Analysis of complaint data focused on determining which protected classes may have been disproportionately impacted by housing discrimination based on the number of complaints, while acknowledging that many individuals who believe that they have been subjected to unlawful discrimination in the housing market may be reluctant to step forward with a fair housing complaint for fear of retaliation or similar repercussion.

Fair Housing Survey

HUD recommends that surveys be conducted during the AI process to gain input from the public regarding perceived impediments to fair housing choice in an area. As such, the State elected to utilize a survey instrument as a means to encourage public input in the AI process and to help characterize the experiences of state residents in the housing market. Some 332 residents responded to the survey, which was distributed to a wide range of stakeholders, policy-makers and interested citizens throughout the state, including:

- The chief elected officials of all of Alabama's 462 municipalities, in both entitlement and non-entitlement areas of the state;
- The chief elected officials of all of Alabama's 67 counties, in both entitlement and non-entitlement areas of the state, and their staff;
- All of Alabama's 12 Regional Planning Commissions;
- All 149 members of the Alabama Public Housing Authority Directors Association;
- Bank presidents and representatives of all 112 banks chartered by the Alabama State Banking Department;

- Real estate associations, including members and affiliates of the Alabama Association of Realtors;
- Affiliates and grantees of the Alabama Housing Finance Authority's (AHFA) HOME Partnerships Program;
- All CDBG administrators serving the state's cities and counties;
- Emergency Solutions Grant grantees and continuum of care staff;
- Grantees of Housing for Persons with AIDS (HOPWA) funding, and their staff;
- Homeless advocacy groups, including Alabama Arise, Alabama Appleseed Center for Law and Justice, and the Salvation Army, among others;
- Other interested parties, including community residents, members of the Boys and Girls Club, persons responding to radio-broadcasted public service announcements concerning the survey, etc.

Research Conclusions

The final list of impediments to fair housing choice for the State of Alabama was drawn from all quantitative, qualitative, and public input sources, and was based on HUD's definition of an impediment to fair housing choice as any action, omission, or decision that affects housing choice because of protected class status. The determination of qualification as an impediment was derived from the frequency and severity of occurrences drawn from quantitative and qualitative data evaluation and findings.

PUBLIC INVOLVEMENT

This section discusses analysis of fair housing in the State of Alabama as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence or lack of impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

SECTION II. SOCIO-ECONOMIC CONTEXT

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends; these data are also available by Census tract, and are shown in geographic maps. Ultimately, the information presented in this section illustrates the underlying conditions that shape housing market behavior and housing choice in non-entitlement areas of the State of Alabama.

To supplement 2000 and 2010 Census data, data for this analysis was also gathered from the Census Bureau's American Community Survey (ACS). The ACS data cover similar topics to the decennial counts but include data not appearing in the 2010 Census, such as household income and poverty. The key difference of these datasets is that ACS data represent a five-year average of annual data estimates as opposed to a point-in-time 100 percent count; the ACS data reported herein span the years from 2008 through 2012. The ACS figures are not directly comparable to decennial Census counts because they do not account for certain population groups such as the homeless and because they are based on samples rather than counts of the population. However, *percentage* distributions from the ACS data can be compared to distributions from the 2000 and 2010 Censuses.

DEMOGRAPHICS

As part of the essential review of the background context of the markets which housing choices are made in non-entitlement areas of Alabama, detailed population and demographic data are included to describe the residents of these areas. These data summarize not only the protected class populations, but characteristics of the total population for the entire State's non-entitlement areas, as well as the outcome of housing location choices. These data help to address whether over-concentrations of racial and ethnic minorities exist, and if so, which areas of the State are most affected. Extreme concentrations of protected class populations do not necessarily imply impediments to fair housing choice, but may represent the results of impediments identified in other data.

POPULATION DYNAMICS

Table II.1 at right presents population counts in non-entitlement areas of the State of Alabama, as drawn from the 2000 and 2010 Censuses, intercensal estimates for 2001 through 2009, and postcensal estimates from 2011 through 2013. As shown, the population grew by an estimated 11.5 percent from 2000 through 2013. The rate of growth during that time was steady, and increased slightly through the middle of the last decade. By July 2013, the population of the state's non-entitlement areas was an estimated 2,976,691.

Table II.1
Census and Intercensal
Population Estimates
Non-Entitlement Areas of
Alabama
2000, 2010 Census and
Intercensal Estimates

Year	Estimate
Census 2000	2,653,464
July 2001 Est.	2,687,177
July 2002 Est.	2,701,962
July 2003 Est.	2,722,543
July 2004 Est.	2,747,631
July 2005 Est.	2,779,393
July 2006 Est.	2,821,065
July 2007 Est.	2,856,155
July 2008 Est.	2,889,585
July 2009 Est.	2,915,671
Census 2010	2,906,959
July 2011 Est.	2,952,645
July 2012 Est.	2,966,261
July 2013 Est.	2,976,691
Change 00 – 13	11.5%

POPULATION BY AGE

According to decennial Census counts, the population of the non-entitlement areas of Alabama grew by 9.6 percent between 2000 and 2010, from 2.6 million to 2.9 million persons. As shown in Table II.2 below, the largest age cohort in both years was composed of residents aged 35 to 54, who accounted for well over a quarter of all residents in both years. However, residents in this age group represented a smaller share of the population in 2010 than they had in 2000; that share having dropped by 1 percentage point, from 29.3 to 28.3 percent. By contrast, the share of residents aged 55 to 64 increased by 40.8 percent, from roughly 262,000 to 369,000 over the period.

Table II.2
Population by Age
Non-Entitlement Areas of Alabama
2000 & 2010 Census SF1 Data

Age	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
Under 5	176,519	6.7%	182,009	6.3%	3.1%
5 to 19	572,773	21.6%	593,497	20.4%	3.6%
20 to 24	160,534	6.0%	171,962	5.9%	7.1%
25 to 34	357,250	13.5%	352,155	12.1%	-1.4%
35 to 54	777,558	29.3%	823,594	28.3%	5.9%
55 to 64	262,430	9.9%	369,371	12.7%	40.8%
65 or Older	346,400	13.1%	414,371	14.3%	19.6%
Total	2,653,464	100.0%	2,906,959	100.0%	9.6%

Meanwhile, the number of residents aged 65 and older also grew by 19.6 percent: much of this increase was driven by growth in the number of residents at the younger end of the elderly cohort, as shown in Table II.3 below. The two youngest cohorts grew at a rate that exceeded that of the elderly cohort as a whole, and while the number of residents in cohorts aged 70-years and older also grew, they did so at a rate that was below the overall average.

Table II.3
Elderly Population by Age
Non-Entitlement Areas of Alabama
2000 & 2010 Census SF1 Data

Age	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
65 to 66	43,559	12.6%	58,464	14.1%	34.2%
67 to 69	60,972	17.6%	78,919	19.0%	29.4%
70 to 74	88,804	25.6%	104,343	25.2%	17.5%
75 to 79	68,518	19.8%	77,017	18.6%	12.4%
80 to 84	45,304	13.1%	52,525	12.7%	15.9%
85 or Older	39,243	11.3%	43,103	10.4%	9.8%
Total	346,400	100.0%	414,371	100.0%	19.6%

POPULATION BY RACE AND ETHNICITY

The racial composition of the non-entitlement areas of Alabama also shifted over the decade, as shown in Table II.4 on the following page. White residents accounted for 78.4 percent of the population in 2000; by 2010, this share had fallen to 76.7 percent. Similarly, the proportion of the total population represented by black residents fell from 19 percent to 18.3 percent. Hence, both groups were growing more slowly than in the region as a whole, with persons in other groups, such as Asians, “Other”, or two or more races swelling in excess of 100 percent.

Furthermore, a more marked shift was observed in the ethnic composition of the state's non-entitlement areas, as the number of Hispanic residents rose nearly 140 percent over the decade, from roughly 47,000 to more than 112,000.

Table II.4
Population by Race and Ethnicity
Non-Entitlement Areas of Alabama
2000 & 2010 Census SF1 Data

Race	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
White	2,079,664	78.4%	2,230,157	76.7%	7.2%
Black	502,835	19.0%	532,667	18.3%	5.9%
American Indian	15,968	.6%	19,725	.7%	23.5%
Asian	9,480	.4%	19,700	.7%	107.8%
Native Hawaiian/ Pacific Islander	782	.0%	1,798	.1%	129.9%
Other	18,592	.7%	58,782	2.0%	216.2%
Two or More Races	26,143	1.0%	44,130	1.5%	68.8%
Total	2,653,464	100.0%	2,906,959	100.0%	9.6%
Non-Hispanic	2,606,440	98.2%	2,794,231	96.1%	7.2%
Hispanic	47,024	1.8%	112,728	3.9%	139.7%

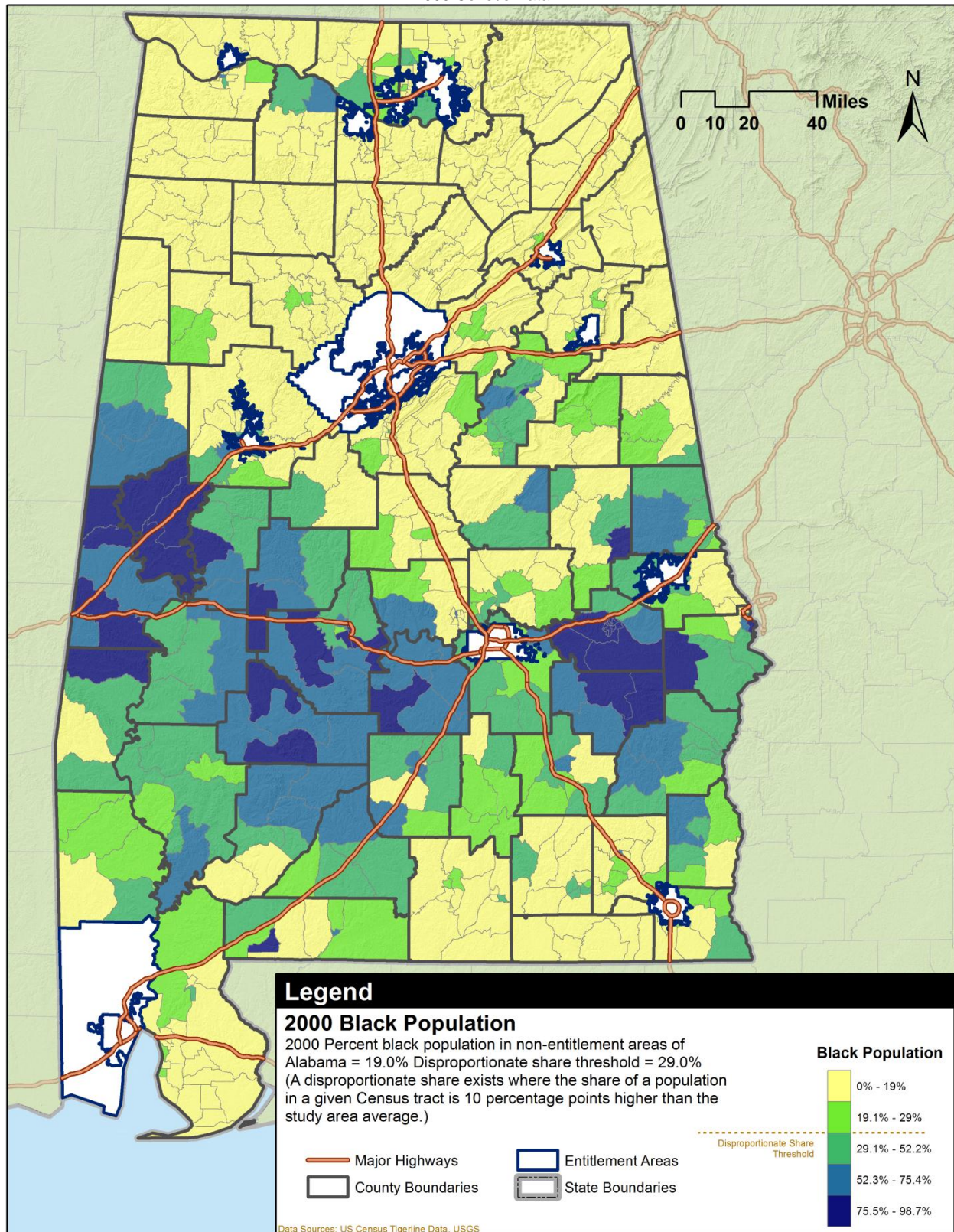
For the purposes of this report, Census tracts are said to have a disproportionate share of a population when the proportion in any particular Census tract exceeds the statewide average by ten percentage points. To take the black population as an example, any Census tracts in which the black population accounted for more than 29 percent of the population in 2000 is said to hold a disproportionate share of black residents, since black residents represented 19 percent of the state's population in that year.

In fact, there were many Census tracts throughout the state's non-entitlement areas in which black residents accounted for more than 29 percent of the population in 2000, as shown in Map II.1 on the following page. Many of these lay in a band that stretched across the state, roughly following the Interstate 85/Highway 80 Corridor. Black residents accounted for more than three quarters of the population in Census tracts throughout this area, including Census tracts in and around Tuskegee and Selma. Additional tracts with above-average and disproportionate concentrations of black residents were observed around urban areas throughout the state.

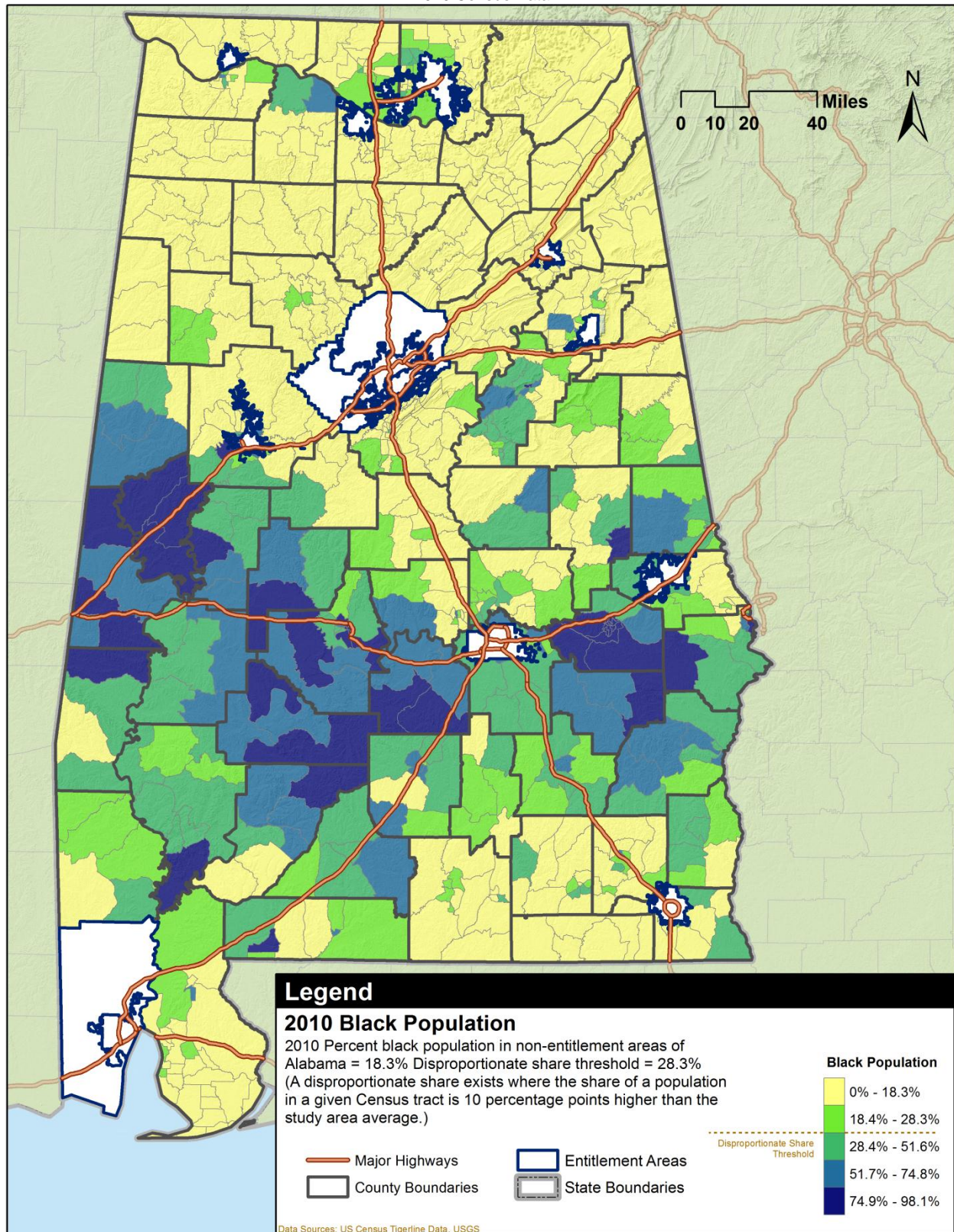
The overall distribution of the black population changed little between 2000 and 2010, as shown in Map II.2 on page 19. General areas that had shown high above-average and disproportionate shares of black residents in 2000 continued to show similar patterns in 2010, even as the overall concentration of black residents throughout the state fell by 0.7 percentage points. There were, however, some subtle changes in the concentration of black residents around urban areas like Selma, Talladega, and Huntsville.

Hispanic residents accounted for a relatively small share of the population of Alabama's non-entitlement areas in 2000 and 2010. Even so, this share grew considerably between Census counts, and Hispanic residents were observed to be disproportionately concentrated in several Census tracts in both years. In 2000, Hispanic residents accounted for 1.8 percent of the state's non-entitlement population, but made up more than a fifth of the population in large rural Census tracts in the north of the state around Fort Payne, Albertville, and Russellville, as shown in Map II.3 on page 20.

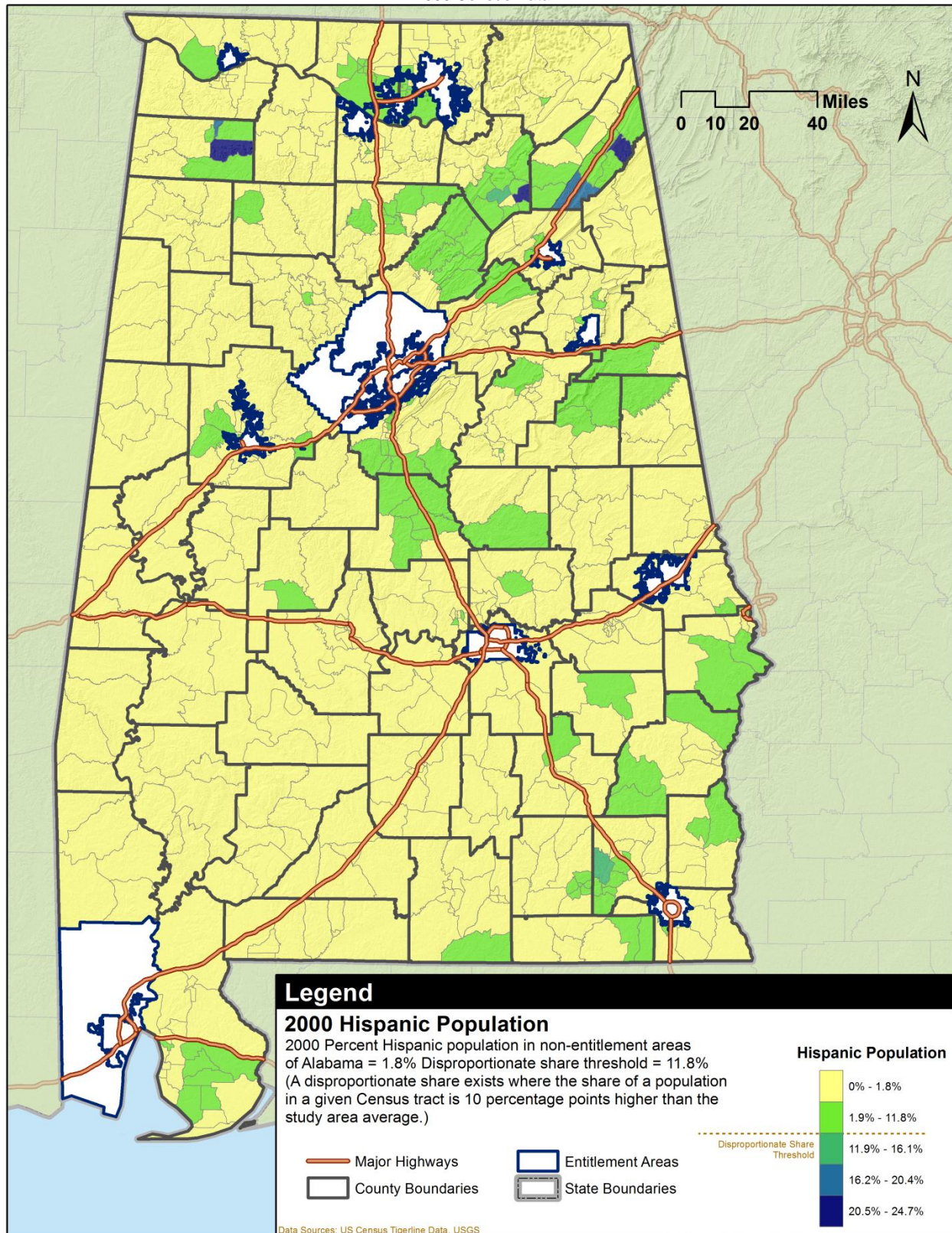
Map II.1
Black Population by Census Tract
 Non-Entitlement Areas of Alabama
 2000 Census Data



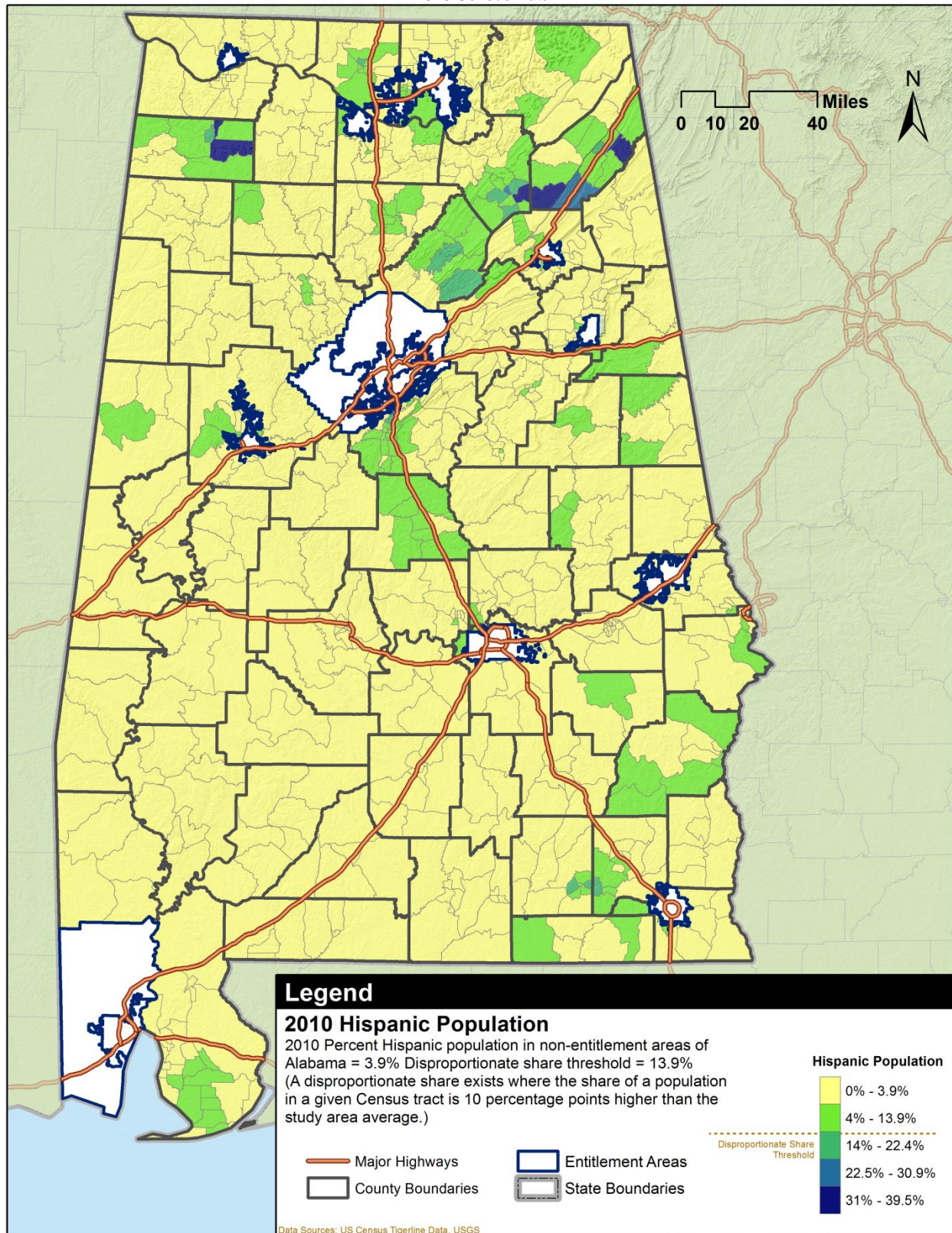
Map II.2
Black Population by Census Tract
 Non-Entitlement Areas of Alabama
 2010 Census Data



Map II.3
Hispanic Population by Census Tract
 Non-Entitlement Areas of Alabama
 2000 Census Data



Map II.4
Hispanic Population by Census Tract
 Non-Entitlement Areas of Alabama
 2010 Census Data



As the Hispanic population grew between the two Census counts, Hispanic residents tended to settle in those same areas. By 2010, many of the same Census tracts held disproportionate shares of Hispanic residents, but the concentration of Hispanic residents had grown within those tracts, as shown in Map II.4 on the previous page. In 2000, the highest concentration of Hispanic residents observed in any Census tract was 24.7 percent. By 2010 that figure had grown to 39.5 percent.

DISABILITY STATUS

The Census bureau also gathers data relating to disabilities, which are defined in the ACS as “limitations of activities and restrictions to full participation at school, at work, at home, or in the community” arising from the interaction among individuals’ bodies and the physical and social environments in which they live, work, or play.⁷ In the 2000 Census, 24.1 percent of the non-entitlement population was counted as living with some sort of disability, as shown in Table II.5 below. This figure includes 27,103 children between the age of 5 and 15, and 169,261 over the age of 65. In 2012, ACS estimates recorded a disability rate of 17.4 percent, as shown in Table II.6 below.

Table II.5
Disability by Age
Non-Entitlement Areas of Alabama
2000 Census SF3 Data

Age	Total	
	Disabled Population	Disability Rate
5 to 15	27,103	6.4%
16 to 64	387,888	23.2%
65 and older	169,261	51.0%
Total	584,252	24.1%

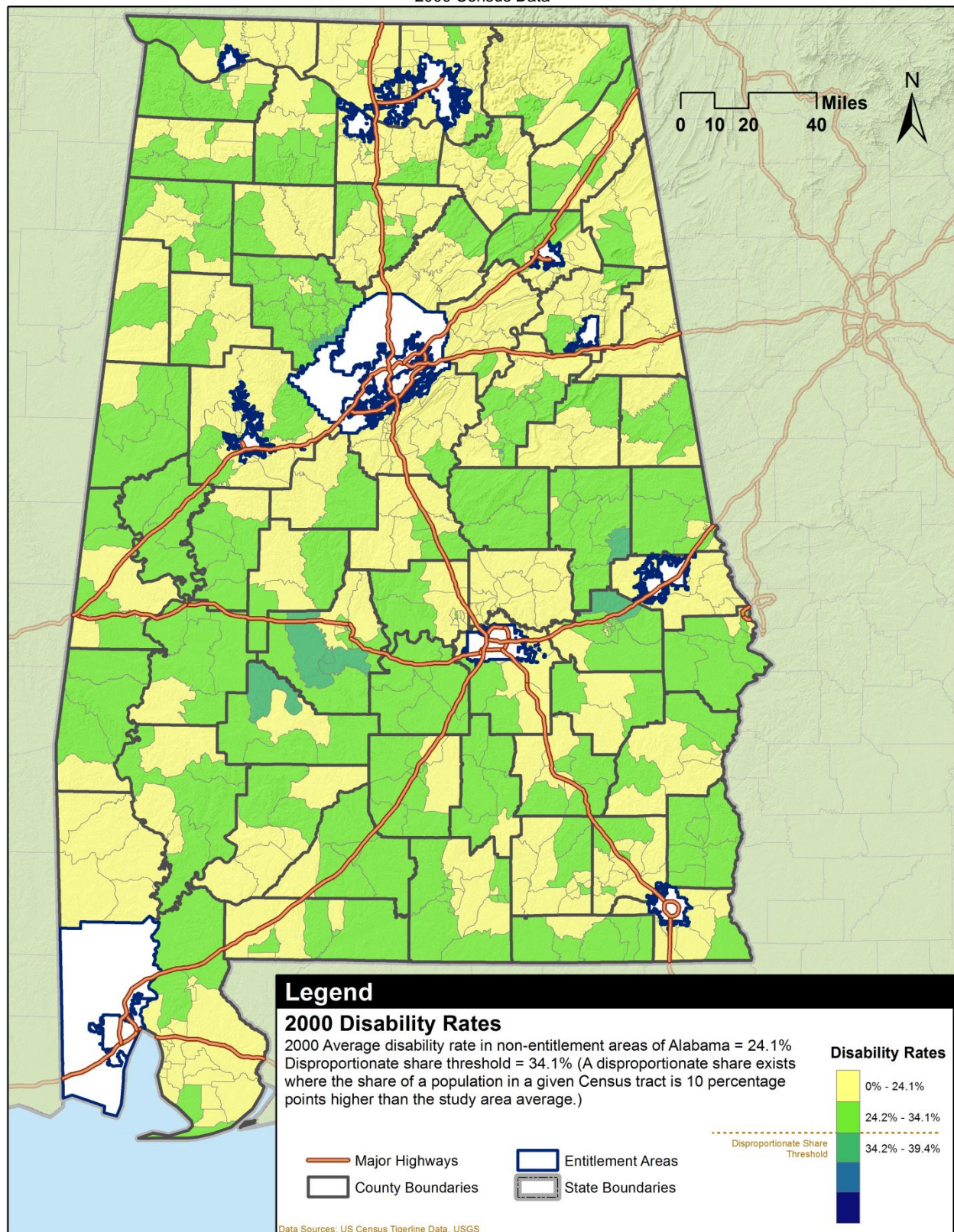
Table II.6
Disability by Age
Non-Entitlement Areas of Alabama
2012 Five-Year ACS Data

Age	Male		Female		Total	
	Disabled Population	Disability Rate	Disabled Population	Disability Rate	Disabled Population	Disability Rate
Under 5	824	.9%	535	.6%	1,359	.8%
5 to 17	21,568	8.2%	12,958	5.2%	34,526	6.8%
18 to 34	25,754	9.0%	22,050	7.3%	47,804	8.1%
35 to 64	111,921	19.9%	117,490	19.5%	229,411	19.7%
65 to 74	40,570	36.0%	43,026	33.5%	83,596	34.7%
75 or Older	37,968	58.1%	60,682	61.1%	98,650	59.9%
Total	238,605	17.2%	256,741	17.5%	495,346	17.4%

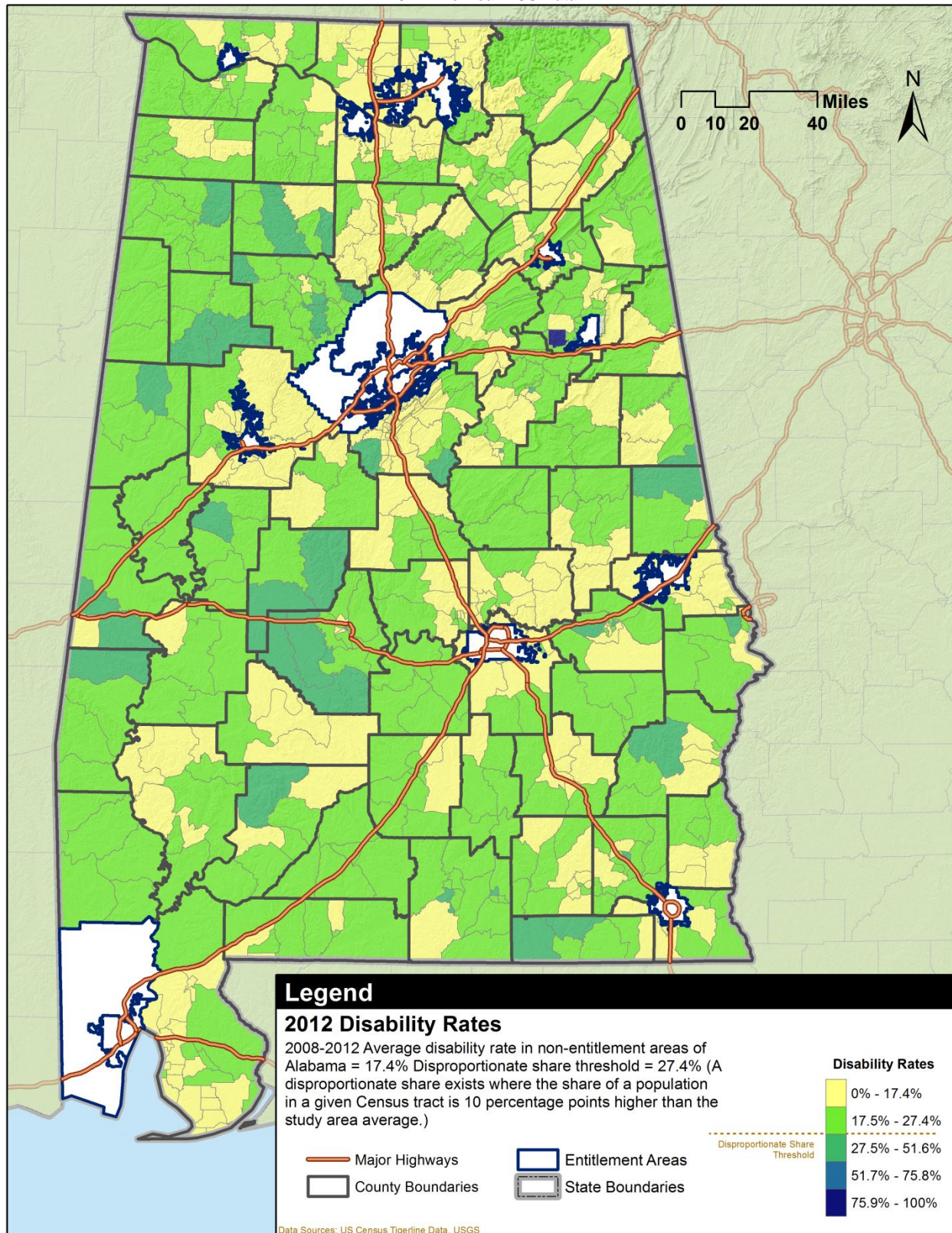
Alabamans with disabilities accounted for 24.1 percent of the state’s non-entitlement population in 2000. As shown in Map II.5 on the following page, these residents accounted for disproportionate shares of the population of rural Census tracts near Tuskegee, Selma, Sylacauga, and Birmingham. In 2012, residents with disabilities were disproportionately concentrated in Census tracts throughout the state, as shown in Map II.6 on page 24. Again, these tended to be rural Census tracts.

⁷ This definition, adopted for use in the ACS after 2008, is more restrictive than the definition employed in the 2000 Census; as a result, disability data from the recent ACS estimates are not directly comparable to the 2000 Census count.

Map II.5
Population with Disabilities by Census Tract
 Non-Entitlement Areas of Alabama
 2000 Census Data



Map II.6
Population with Disabilities by Census Tract
 Non-Entitlement Areas of Alabama
 2012 Five-Year ACS Data



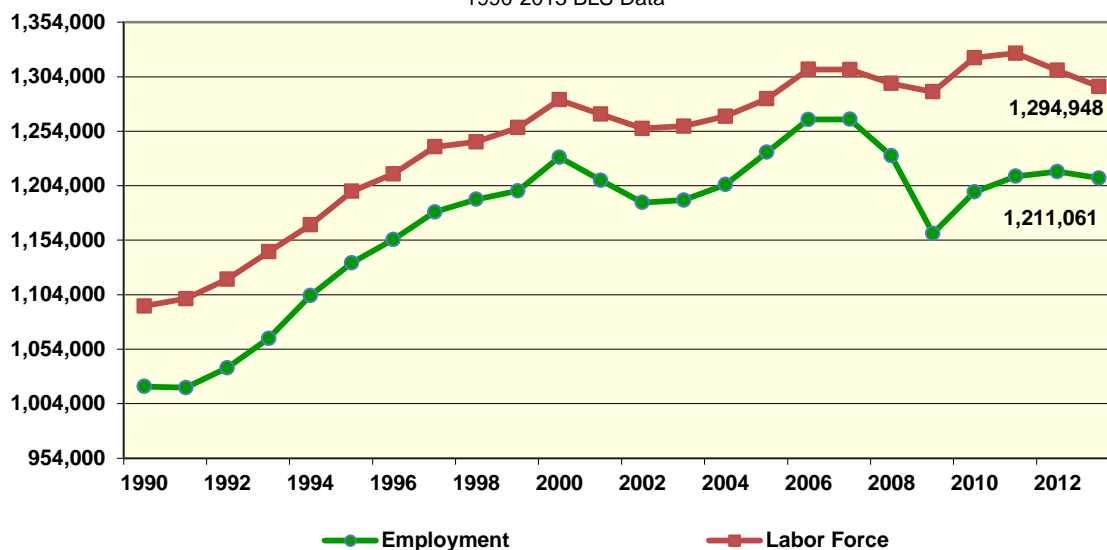
ECONOMICS

Data indicating the size and dynamics of job markets in the non-entitlement areas of Alabama, workforce, incomes, and persons in poverty provide essential contextual background and indicate the potential buying power of State residents when making a housing choice.

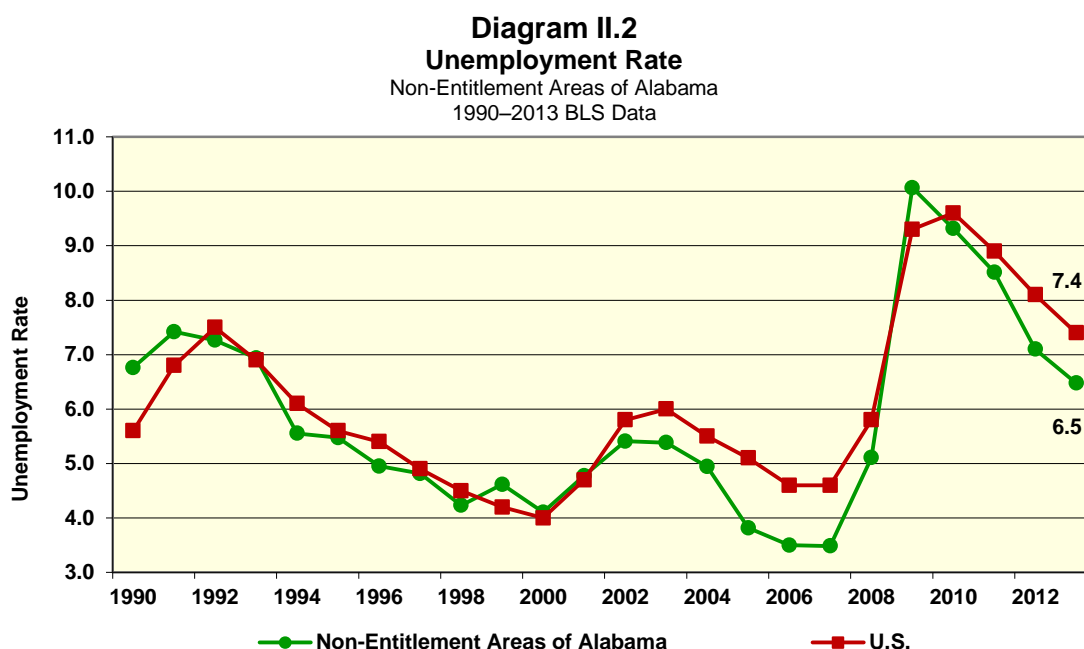
LABOR FORCE AND EMPLOYMENT

Job growth in non-entitlement areas of the state has been uneven in the period since 1990, as shown in Diagram II.1 below. After 1991, the number of employed persons grew steadily through the year 2000, increasing by over 211,000 workers. However, after peaking in 2000 at around 1,230,000, the number of employed fell for two consecutive years. In 2003, employment once again began to show strong positive growth, but this trend had stalled by 2007. The following two years saw a considerable decline in employment as the number of employed workers fell by over 100,000. Employment figures began to climb after 2009, though they have showed signs of stalling in recent years.

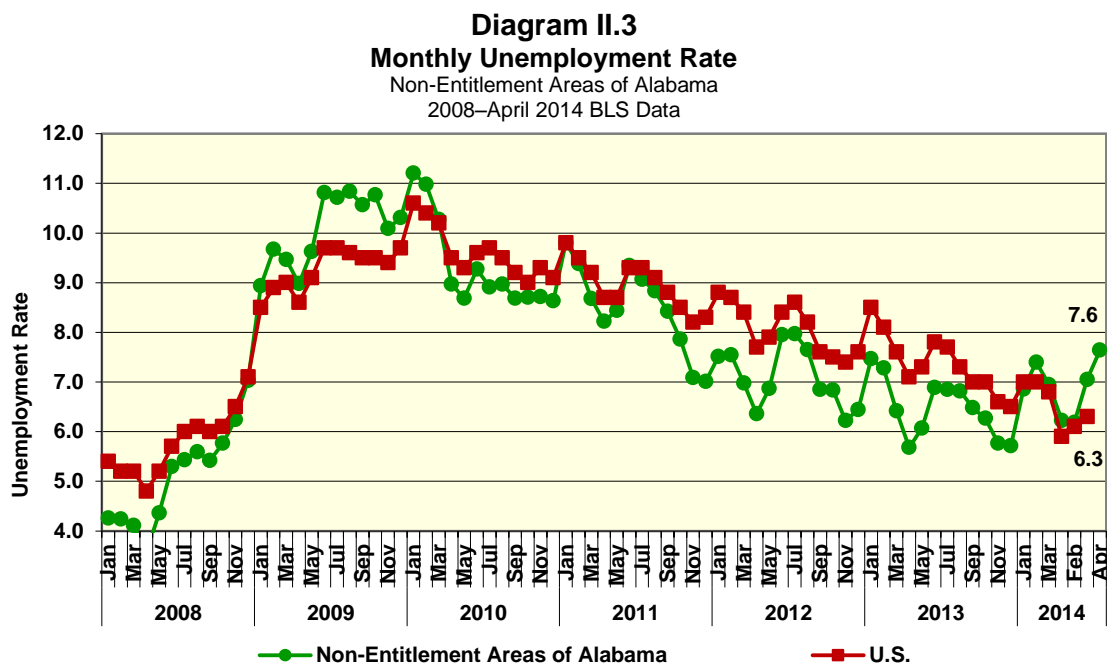
Diagram II.1
Employment and Labor Force
Non-Entitlement Areas of Alabama
1990-2013 BLS Data



For most of the period trends in employment and the labor force followed each other fairly closely. However, the decline in employment after 2007 was considerably more rapid than the decline in the labor force. The result was a spike in the unemployment rate, which rose from 3.5 percent in 2007 to 10.1 percent in 2009, as shown in Diagram II.2 on the following page. However, since that year, the unemployment rate has been falling steadily, and stood at 6.5 percent in 2013, almost a full percentage point below the national unemployment rate for that year.



The high unemployment rate of 2009 persisted through the beginning of 2010, peaking in January of that year at 11.2 percent, as shown in Diagram II.3 below. However, after February 2010 the unemployment rate began to fall. In spite of seasonal fluctuations in the unemployment rate, the overall trend in unemployment has been downward since early 2010.



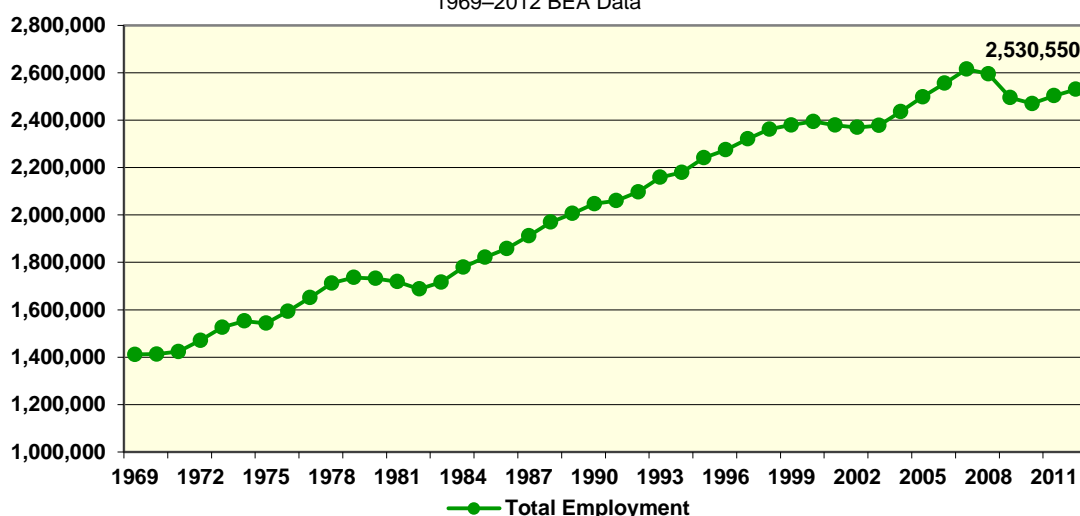
FULL- AND PART-TIME EMPLOYMENT AND EARNINGS

Full employment, as measured by the Bureau of Economic Analysis, refers to the total number of part-time and full-time jobs in the state as a whole. Since the BEA defines employment as a count of jobs rather than workers, workers can be counted twice in these data. However, this

information is not released at any smaller geographic area than the county, so statewide data have been included here as a relative comparison.

Statewide, growth in the number of jobs was steady between 1982 and 2000, rising from around 1,687,000 to 2,395,000 jobs, as shown in Diagram II.4 below. The number of jobs in the state declined by around 25,000 over the next two years, but began to rise again in 2003. This growth continued steadily through 2007, when the number of jobs peaked at 2,615,473. In 2008, however, total employment began to decline and continued to decline over the next two years. By 2010, there were 145,000 fewer jobs than there had been in 2007. This decline reversed the following year, and after two years of growth the number of jobs in Alabama stood at 2,530,550 in 2012, some 85,000 jobs fewer than seen in 2007.

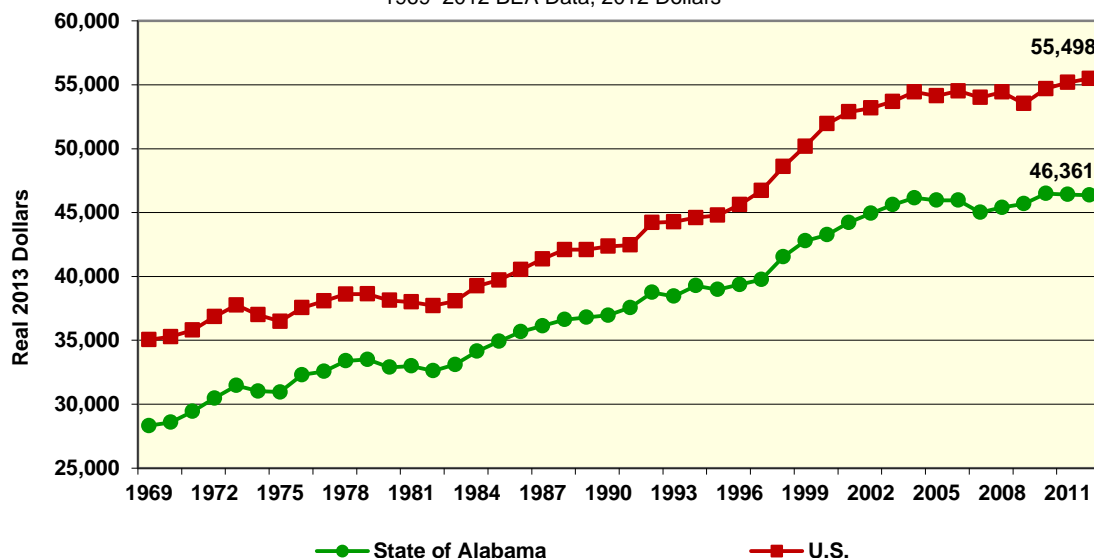
Diagram II.4
Full- and Part-Time Employment
State of Alabama
1969–2012 BEA Data



The BEA also provides data on income and earnings of workers in the state. These figures are presented in the AI as real average earnings per job (“earnings”) and real per capita income (“PCI”). Monetary amounts presented in real dollars have been adjusted for inflation, and are presented in 2013 dollars. Earnings per job is defined as total earnings in the state divided by the total number of jobs, while PCI is defined as total income in the state divided by the state’s population.

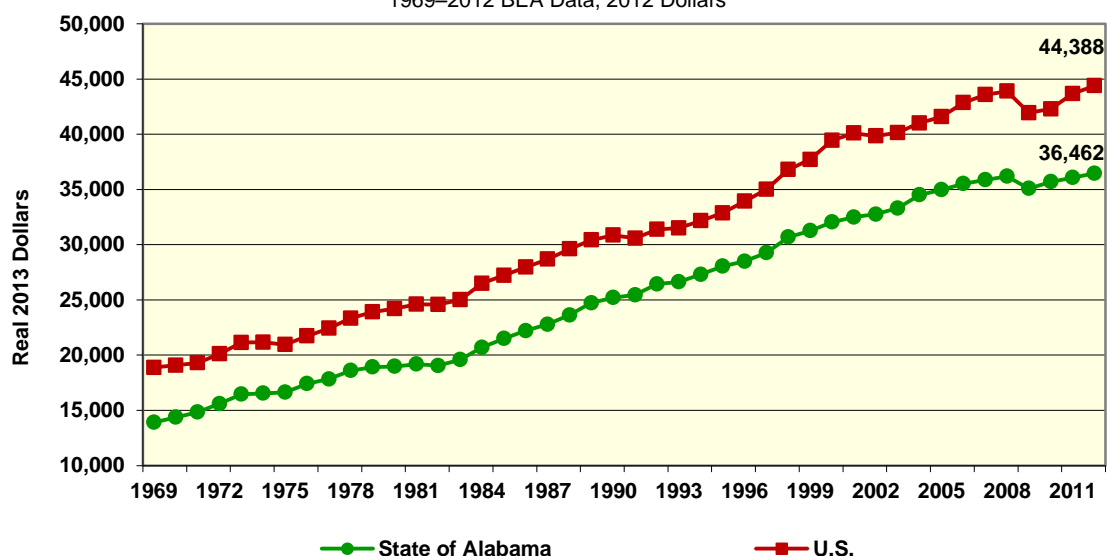
Growth in earnings has generally been positive over the period from 1969 through 2012, though it has been subject to some fluctuation, as shown in Diagram II.5 on the following page. The late nineties saw the beginning of a period of relatively strong and sustained growth, which continued through 2004, when the average worker in the state earned \$46,151 dollars at his or her job. Growth in earnings plateaued over the next few years and declined slightly in 2007. Unlike jobs, however, real earnings began to grow, albeit slowly, after 2007. By 2010, the real average earnings had grown to \$46,481, and remained near this figure over the next two years. Earnings in the state stood at \$46,361 in 2012, roughly \$9,600 less than the national average at that time.

Diagram II.5
Real Average Earnings Per Job
 State of Alabama
 1969–2012 BEA Data, 2012 Dollars



Growth in real PCI has been steadier than growth in earnings since 1969, as shown in Diagram II.6 below. This same steady growth has been the rule over the last twenty years as well, save for a brief decline in 2009. In 1992, the average resident had an income of just over \$26,400 in real 2013 dollars. By 2008, this figure had grown to nearly \$36,200. Real PCI fell by over \$1,000 over the next year; however, growth in average income resumed the following year and continued steadily through 2012, when real average PCI in the state stood at \$36,462, roughly \$7,900 less than the national average. Real PCI in the state has fallen further behind the national average in recent years.

Diagram II.6
Real Average Per Capita Income
 State of Alabama
 1969–2012 BEA Data, 2012 Dollars



HOUSEHOLD INCOME

Alabama households experienced a shift toward higher incomes between 2000 and 2012, as measured in current dollars. As shown in Table II.7 below, the most pronounced changes occurred at the lowest and highest ends of the income range. The number of households making less than \$15,000 per year fell from 22.7 to 16.7 during this time, while the number of households with incomes of \$100,000 and above rose 6.3 percent to 14.8 percent. In fact, the shares of households in all income categories below \$50,000 per year fell after 2000, while the share of households in the three highest income brackets grew.

Table II.7
Households by Income

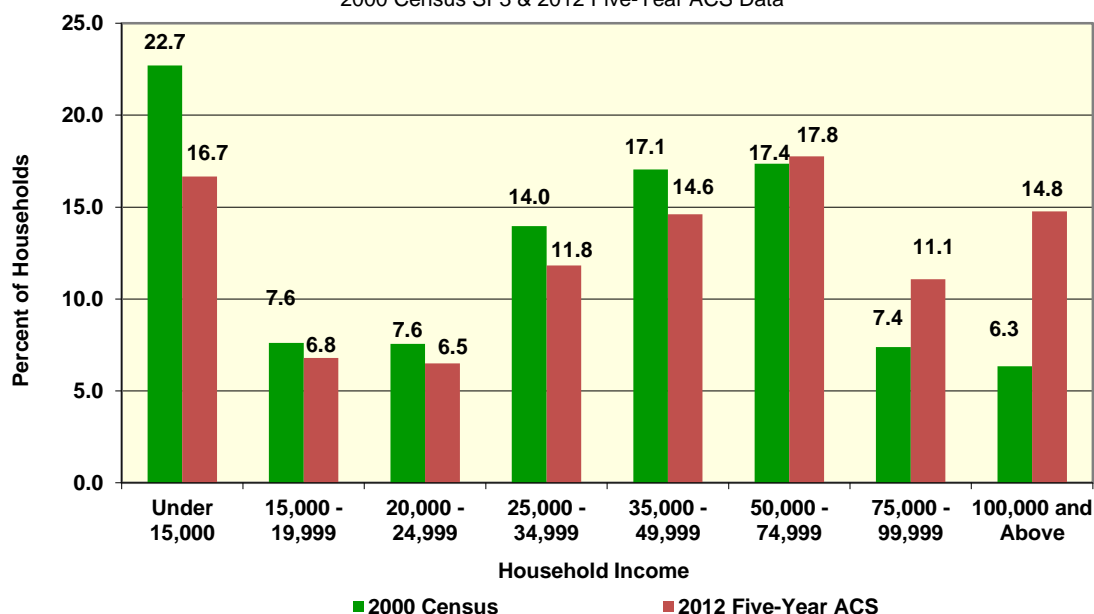
Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

Income	2000 Census		2012 Five-Year ACS	
	Households	% of Total	Households	% of Total
Less than \$15,000	232,721	22.7%	183,815	16.7%
\$15,000 to \$19,999	78,023	7.6%	74,974	6.8%
\$20,000 to \$24,999	77,406	7.6%	71,727	6.5%
\$25,000 to \$34,999	143,175	14.0%	130,352	11.8%
\$35,000 to \$49,999	174,760	17.1%	161,094	14.6%
\$50,000 to \$74,999	177,882	17.4%	195,956	17.8%
\$75,000 to \$99,999	75,651	7.4%	122,212	11.1%
\$100,000 or More	65,066	6.3%	162,850	14.8%
Total	1,024,684	100.0%	1,102,980	100.0%

Diagram II.7 below presents these income distributions graphically and further demonstrates the shift from lower- and medium- to higher-income households over time.

Diagram II.7
Households by Income

Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data



POVERTY

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. In spite of the shift toward higher household incomes between 2000 and 2012, the poverty rate in the non-entitlement areas of Alabama rose from 15.5 to 17.2 percent, as shown in Table II.8 below. This represents a rise of some 87,000 people.

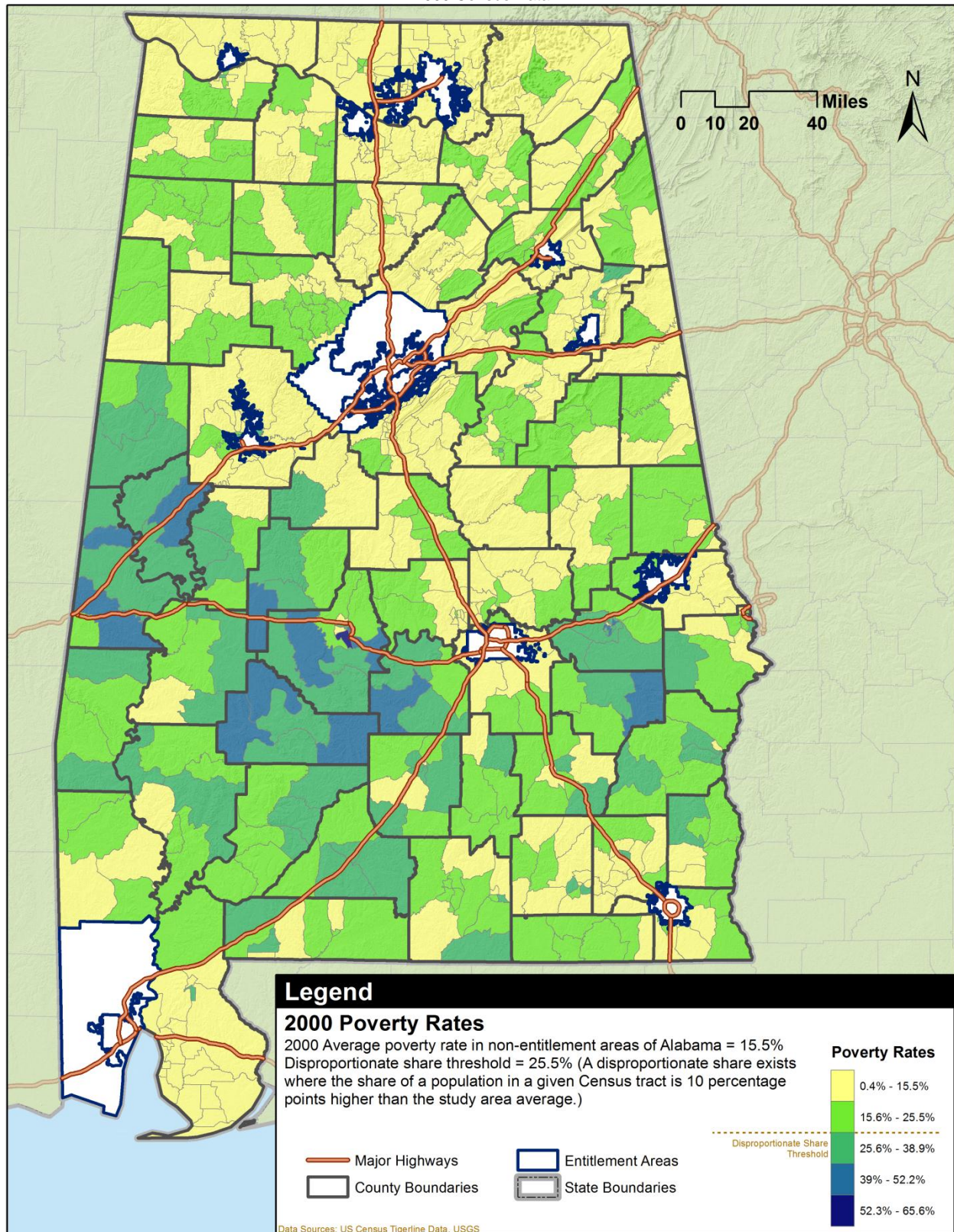
Table II.8
Poverty by Age
 Non-Entitlement Areas of Alabama
 2000 Census SF3 & 2012 Five-Year ACS Data

Age	2000 Census		2012 Five-Year ACS	
	Persons in Poverty	% of Total	Persons in Poverty	% of Total
Under 6	46,063	11.4%	60,678	12.4%
6 to 17	89,730	22.3%	108,585	22.2%
18 to 64	209,524	52.0%	273,307	55.8%
65 or Older	57,229	14.2%	47,185	9.6%
Total	402,546	100.0%	489,755	100.0%
Poverty Rate	15.5%	.	17.2%	.

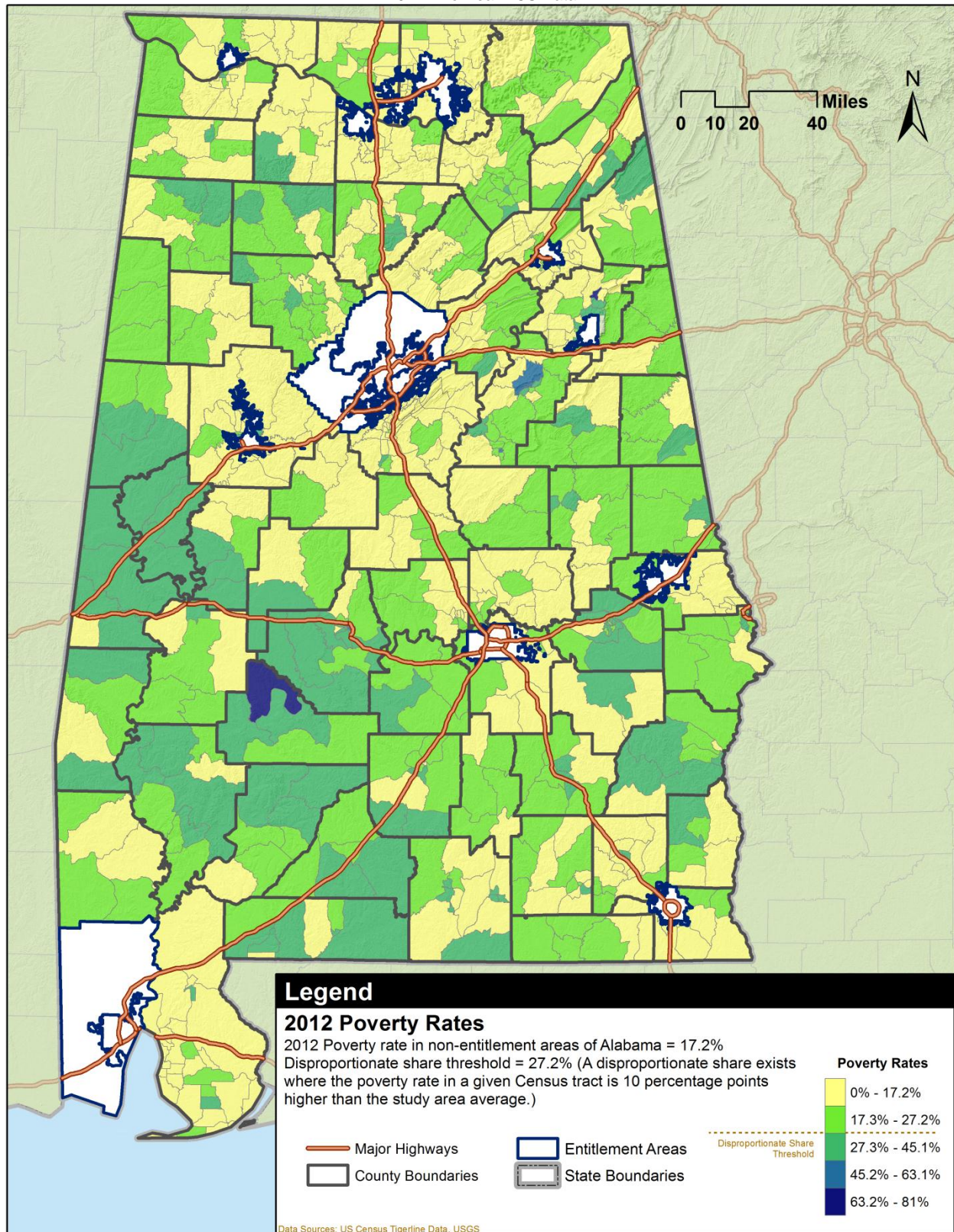
As had been the case with black residents, Census tracts with relatively high shares of residents in poverty were clustered in a geographic band that roughly followed along the Interstate 85/Highway 80 Corridor, as shown in Map II.7 on the following page. A large number of Census tracts throughout that area had poverty rates ranging from 39 to 52.2 percent. Particularly high poverty rates were observed in tracts in and around Phenix City and Selma, where more than 55 percent of tract residents lived in poverty.

The poverty rate in the state's non-entitlement areas increased by nearly two percentage points between the 2000 Census and 2012 ACS, and some Census tracts saw a considerable rise in poverty in the intervening years, as shown in Map II.8 on page 32. In 2000, the maximum poverty rate observed in any individual Census tract was 65.6 percent. In 2010, several Census tracts had poverty rates exceeding that figure. In addition, while tracts with disproportionate shares of poverty were highly clustered in the south of the state in 2000, by 2010 tracts with relatively high poverty rates were appearing throughout the north of the state as well.

Map II.7
Poverty Rate by Census Tract
 Non-Entitlement Areas of Alabama
 2000 Census Data



Map II.8
Poverty Rate by Census Tract
 Non-Entitlement Areas of Alabama
 2012 Five-Year ACS Data



HOUSING

Simple counts of housing by age, type, tenure, and other characteristics form the basis for the housing stock background, suggesting the available housing in non-entitlement areas of the State from which residents have to choose. Examination of households, on the other hand, shows how residents use the available housing, and shows household size and housing problems such as incomplete plumbing and/or kitchen facilities. Review of housing costs reveals the markets in which housing consumers in the State can shop.

CHARACTERISTICS OF THE HOUSING STOCK

Between the two Decennial Census enumerations, the total number of housing units in non-entitlement areas of the state increased by 12.4 percent, as shown in Table II.9 below. This growth was appreciably stronger than the rise in population. Among owner-occupied units, the share of housing units that were occupied by their owners was 78.3 percent in 2000, well above the 21.7 percent occupied by rental tenants. By 2010, 75 percent of units were occupied by their owners and 25 percent were occupied by rental tenants, indicating that homeownership declined as a share of occupied housing over this period.

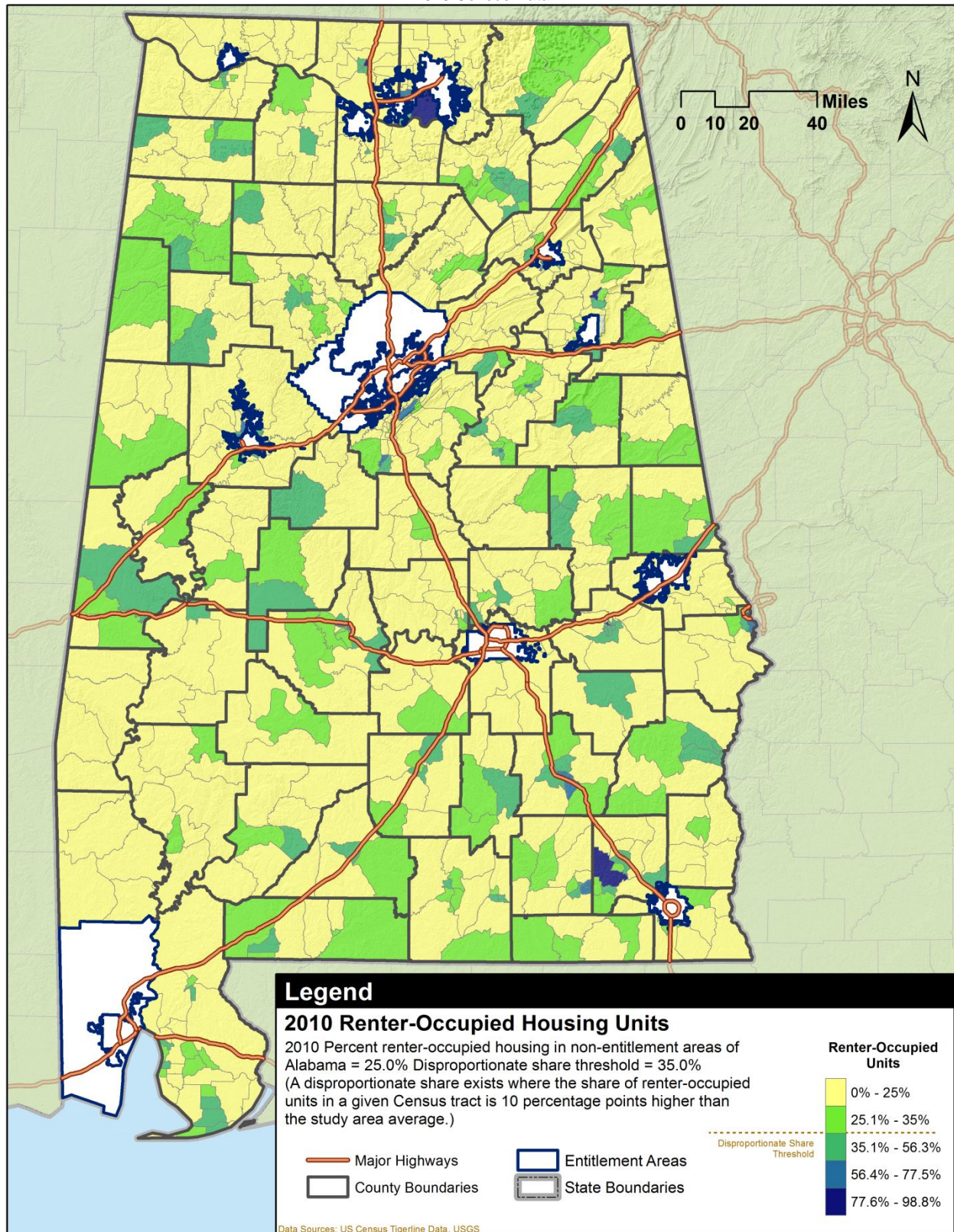
In addition, occupied units declined as a share of all housing units from 86.9 to 85.5 percent. The number of occupied housing units, which grew by only 10.5 percent, grew more slowly than the total housing stock. Hence the number of vacant units rose, with the share of units that were vacant rising from 13.1 to 14.5 percent, or by nearly 38,750 units.

Table II.9
Housing Units by Tenure
Non-Entitlement Areas of Alabama
2000 & 2010 Census SF1 Data

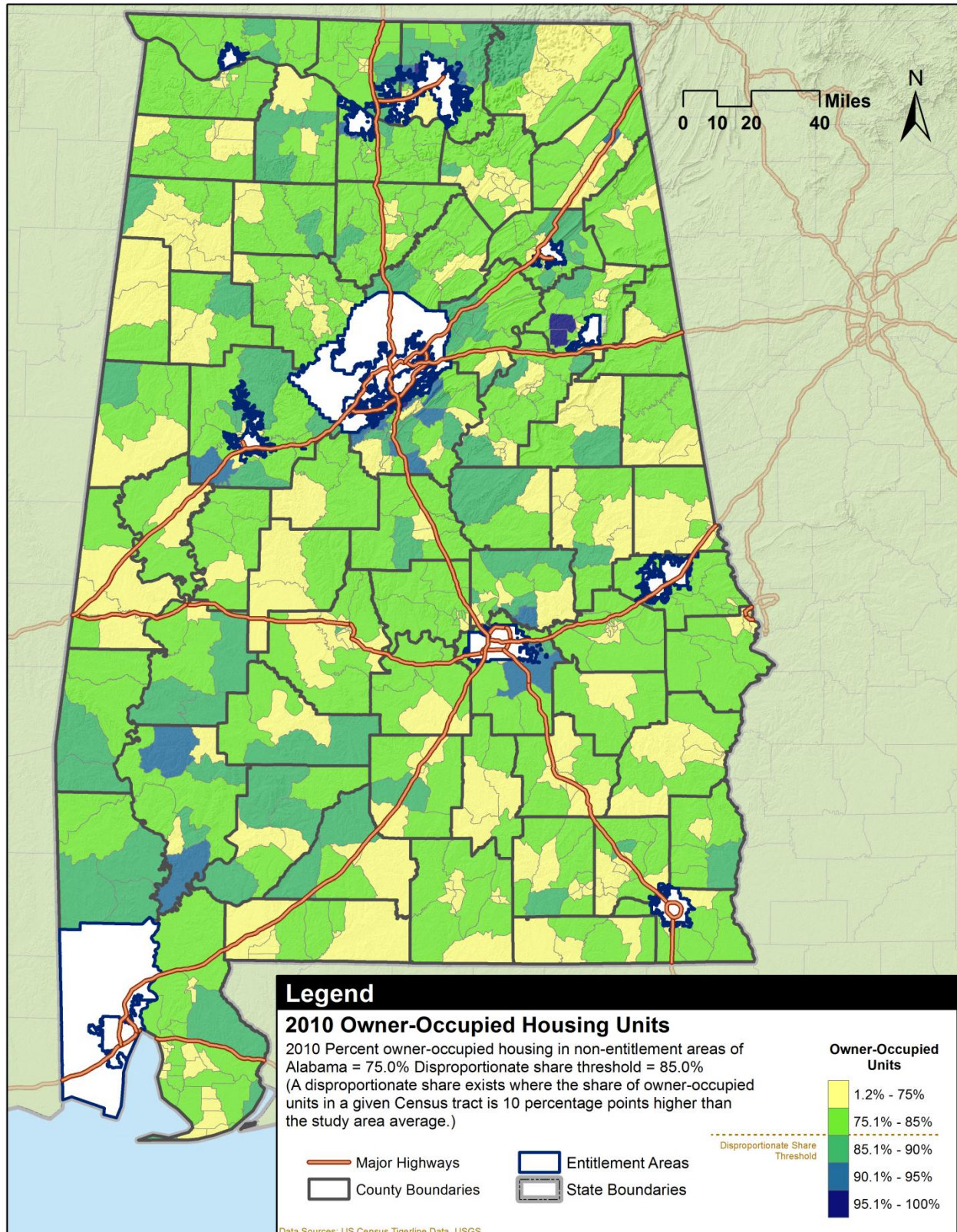
Tenure	2000 Census		2010 Census		% Change 00–10
	Units	% of Total	Units	% of Total	
Occupied Housing Units	1,024,645	86.9%	1,132,502	85.5%	10.5%
Owner-Occupied	802,206	78.3%	848,818	75.0%	5.8%
Renter-Occupied	222,439	21.7%	283,684	25.0%	27.5%
Vacant Housing Units	153,855	13.1%	192,598	14.5%	25.2%
Total Housing Units	1,178,500	100.0%	1,325,100	100.0%	12.4%

Tracts with relatively high concentrations of renter-occupied units; where renter-occupied units accounted for more than 35 percent of occupied housing units; were distributed throughout the state in 2010, as shown in Map II.9 on the following page. However, these units were most highly concentrated in and around urban areas like Huntsville, Tuskegee, and Jacksonville. Tracts with relatively high concentrations of owner-occupied units were similarly scattered throughout the state, as shown in Map II.10 on page 35. The highest concentration of owner-occupied units was observed in two large tracts near Anniston, where more than 95 percent of occupied housing units were owner-occupied.

Map II.9
Renter-Occupied Housing Units
 Non-Entitlement Areas of Alabama
 2010 Census Data



Map II.10
Owner-Occupied Housing Units
 Non-Entitlement Areas of Alabama
 2010 Census Data



VACANT HOUSING

The disposition of those vacant housing units is shown in Table II.10 below. The number of vacant units that were rented or sold but unoccupied fell over the decade, as did the number of units reserved for use by migrant workers. And though the number of vacant units available for rent increased, these units declined as a share of vacant units from 21.6 to 20.8 percent. Meanwhile, the number of vacant units for sale increased by 32.6 percent, and the proportion of units classified as “other vacant” stayed roughly the same. It is this last type of vacant unit, the “other vacant” unit, that tends to be the most problematic. These units are not available to the housing market, and may represent a blighting influence where they are grouped in close proximity to one another.

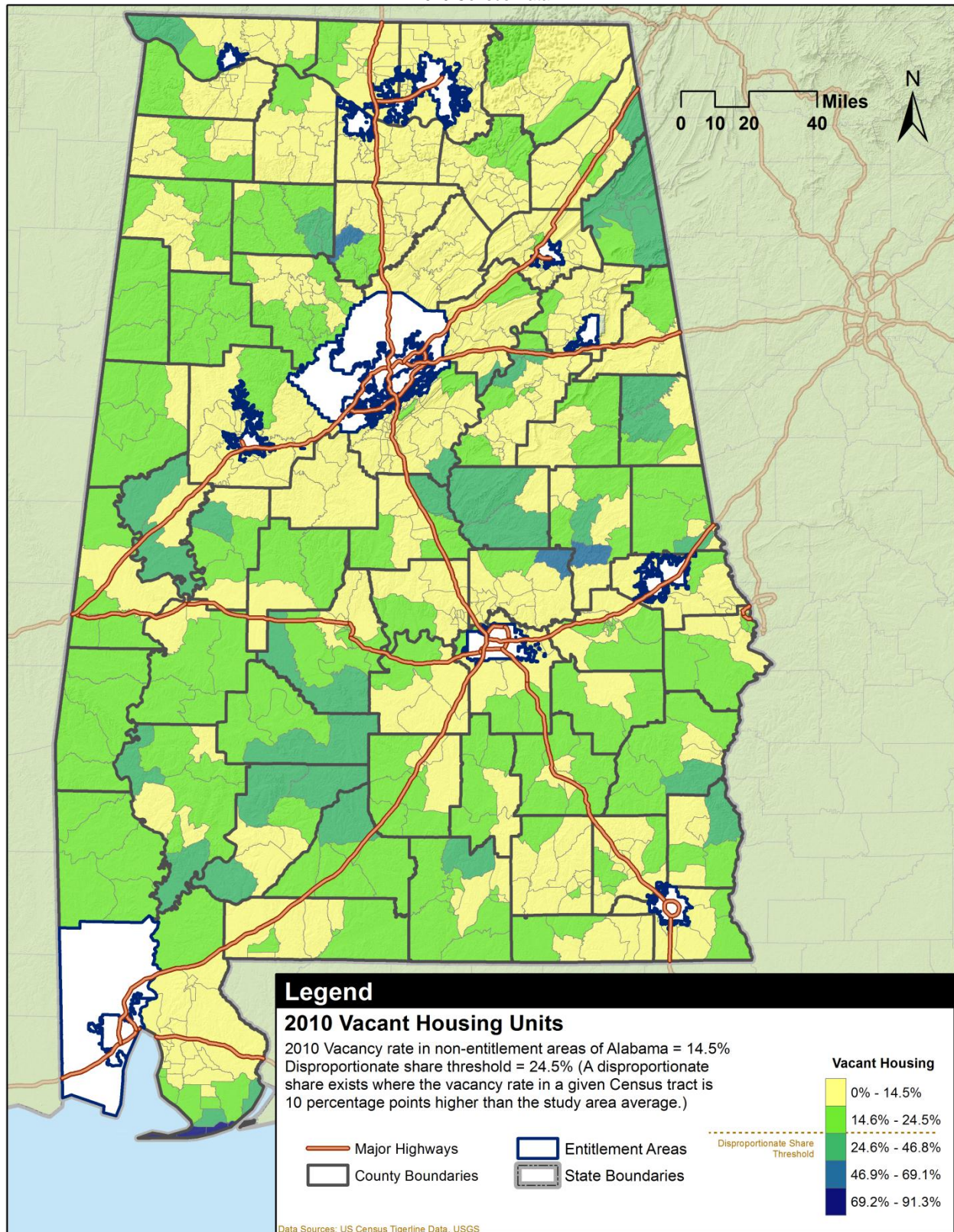
Table II.10
Disposition of Vacant Housing Units
 Non-Entitlement Areas of Alabama
 2000 & 2010 Census SF1 Data

Disposition	2000 Census		2010 Census		% Change 00–10
	Units	% of Total	Units	% of Total	
For Rent	33,218	21.6%	40,149	20.8%	20.9%
For Sale	15,848	10.3%	21,022	10.9%	32.6%
Rented or Sold, Not Occupied	10,048	6.5%	8,620	4.5%	-14.2%
For Seasonal, Recreational, or Occasional Use	42,661	27.7%	58,266	30.3%	36.6%
For Migrant Workers	314	0.2%	182	0.1%	-42.0%
Other Vacant	51,766	33.6%	64,359	33.4%	24.3%
Total	153,855	100.0%	192,598	100.0%	25.2%

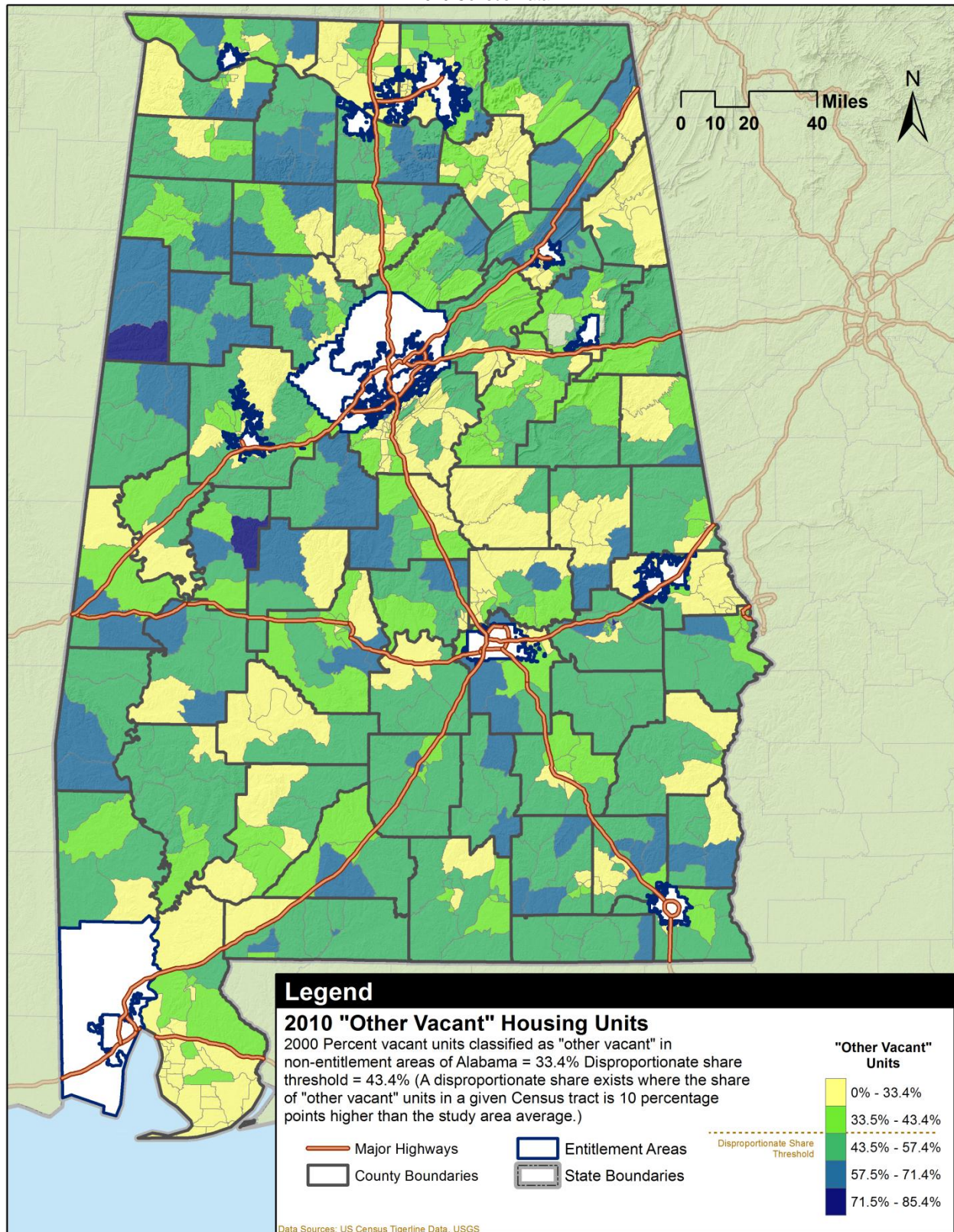
Tracts with relatively high concentrations of vacant housing units were also scattered throughout the state in 2010, with the highest concentrations of vacant units appearing in coastal Census tracts, as shown in Map II.11 on the following page. Note, however, that units classified as “vacant” may include those that are reserved for vacation, occasional, or seasonal use, a category that would likely include many of those coastal units. Indeed more than 65 percent of vacant units in those areas were intended for occasional use. Of more concern are vacant housing units that are classified as “other vacant”. These units are not available to the market place, and may create a blighting influence where they are grouped in close physical proximity.

Tracts in which high shares of vacant units were classified as “other vacant” appeared throughout the state, largely in rural Census tracts, as shown in Map II.12 on page 38. However, of more concern are areas like Tuskegee, where we see a high percentage of vacant units, a large proportion of which were classified as “other vacant”.

Map II.11
Vacant Housing Units
 Non-Entitlement Areas of Alabama
 2010 Census Data



Map II.12
"Other Vacant" Housing Units
 Non-Entitlement Areas of Alabama
 2010 Census Data



HOUSEHOLD SIZE

The size of the average household in the state changed slightly between the 2000 and 2010 Censuses. Three- and four-person households accounted for a smaller share of households in non-entitlement areas of the state at the end of the decade, as shown in Table II.11 below. Meanwhile, the share of one-person households in the state increased by 1.4 percentage points, and the share of two-person households grew by 0.4 percentage points.

Table II.11
Households by Household Size
Non-Entitlement Areas of Alabama
2000 & 2010 Census SF1 Data

Size	2000 Census		2010 Census		% Change 00–10
	Households	% of Total	Households	% of Total	
One Person	246,422	24.0%	287,820	25.4%	16.8%
Two Persons	349,188	34.1%	390,937	34.5%	12.0%
Three Persons	191,698	18.7%	197,849	17.5%	3.2%
Four Persons	152,573	14.9%	153,850	13.6%	.8%
Five Persons	58,101	5.7%	66,197	5.8%	13.9%
Six Persons	17,612	1.7%	22,736	2.0%	29.1%
Seven Persons or More	9,051	.9%	13,113	1.2%	44.9%
Total	1,024,645	100.0%	1,132,502	100.0%	10.5%

Table II.12 below presents a portrait of the housing stock in the city in 2000 and 2012, separated by housing unit type. Single-family units constituted the most prevalent housing type in both datasets, accounting for 67.1 percent of all housing units in 2000 and 69.7 percent of housing units in 2012, an increase of 2.6 percentage points or nearly 130,000 units. This increase was nevertheless more pronounced than changes in any other housing type after 2000, with the exception of mobile homes. These units decreased as a share of housing units by 3.4 percentage points, falling from 23.8 percent of the housing stock in 2000 to 20.4 percent in 2010.

Table II.12
Housing Units by Type
Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

Unit Type	2000 Census		2012 Five-Year ACS	
	Units	% of Total	Units	% of Total
Single-Family	791,109	67.1%	920,943	69.7%
Duplex	23,085	2.0%	26,335	2.0%
Tri- or Four-Plex	24,715	2.1%	26,787	2.0%
Apartment	54,203	4.6%	76,632	5.8%
Mobile Home	280,549	23.8%	268,984	20.4%
Boat, RV, Van, Etc.	4,540	0.4%	1,729	0.1%
Total	1,178,201	100.0%	1,321,410	100.0%

HOUSING PROBLEMS

While the 2000 Census did not report significant details regarding the physical condition of housing units, some information can be derived from the SF3 data. These data relate to overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. While these data were not collected during the 2010 Census, data were available for comparison from the 2008 to 2012 ACS averages.

Overcrowding occurs in units housing between 1 and 1.5 persons per room, while severe overcrowding occurs in units with 1.5 persons per room or more. According to the 2000 Census, 1.9 percent of housing units were overcrowded in that year and 0.8 percent of housing units were severely overcrowded, as shown in Table II.13 below. By 2012, the share of overcrowded housing units had fallen to 1.4 percent and the share of severely overcrowded housing units had fallen to 0.6 percent, according to the 2012 ACS. In both years, rental units were more affected by overcrowding than owner-occupied units.

Table II.13
Overcrowding and Severe Overcrowding

Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

Data Source	No Overcrowding		Overcrowding		Severe Overcrowding		Total
	Households	% of Total	Households	% of Total	Households	% of Total	
Owner							
2000 Census	785,351	98.0%	12,062	1.5%	4,322	.5%	801,735
2011 Five-Year ACS	817,785	98.7%	7,780	.9%	2,735	.3%	828,300
Renter							
2000 Census	210,935	94.7%	7,760	3.5%	4,035	1.8%	222,730
2011 Five-Year ACS	263,355	95.9%	7,431	2.7%	3,894	01.4%	274,680
Total							
2000 Census	996,286	97.2%	19,822	1.9%	8,357	.8%	1,024,465
2011 Five-Year ACS	1,081,140	98.0%	15,211	1.4%	6,629	.6%	1,102,980

Incomplete plumbing or kitchen facilities are other indicators of potential housing problems. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. Likewise, a unit is categorized as deficient when any of the following are missing from the kitchen: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator. As shown in Table II.14 below, 0.6 percent of housing units lacked complete plumbing facilities in 2012, down from 0.7 percent in 2000. Meanwhile, the share of units without complete kitchen facilities grew from 0.6 to 0.8 percent between 2000 and 2012, as shown in Table II.15 below.

Table II.14
Households with Incomplete Plumbing Facilities

Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

Households	2000 Census	2011 Five-Year ACS
With Complete Plumbing Facilities	1,016,899	1,096,482
Lacking Complete Plumbing Facilities	7,566	6,498
Total Households	1,024,465	1,102,980
Percent Lacking	0.7%	0.6%

Table II.15
Households with Incomplete Kitchen Facilities

Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

Households	2000 Census	2011 Five-Year ACS
With Complete Kitchen Facilities	1,018,608	1,094,620
Lacking Complete Kitchen Facilities	5,857	8,360
Total Households	1,024,465	1,102,980
Percent Lacking	.6%	.8%

The third type of housing problem reported in the 2000 Census was cost burden, which occurs when a household has gross housing costs that range from 30 to 49.9 percent of gross household income; severe cost burden occurs when gross housing costs represent 50 percent or more of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent plus utility charges.

Finally, the share of households that were cost-burdened grew between the 2000 Census and 2008-2012 ACS, as shown in Table II.16 below, along with the share of households that were severely cost burdened. The share of cost burdened households, in which housing costs account for 31 to 50 percent of the household income, grew by 3 percentage points, accounting for 15.2 percent of households by 2012. Meanwhile, the share of severely cost-burdened households grew from 9.1 to 11.4 percent. As had been the case with overcrowded housing units, the problems of cost-burden and severe-cost burden fell more heavily on rental households than owner-occupied households. A complete version of this table with data for all households is included in Appendix C.

Table II.16
Cost Burden and Severe Cost Burden by Tenure

Non-Entitlement Areas of Alabama
2000 Census SF3 & 2012 Five-Year ACS Data

2000 Census SF 3 & 2012 Five-Year ACS Data					
Data Source	31%-50%		Above 50%		Total
	Households	% of Total	Households	% of Total	
Owner With a Mortgage					
2000 Census	44,371	14.2%	27,872	8.9%	313,227
2011 Five-Year ACS	82,876	17.5%	54,471	11.5%	472,392
Owner Without a Mortgage					
2000 Census	12,064	6.1%	8,167	4.1%	197,672
2011 Five-Year ACS	29,010	8.2%	19,894	5.6%	355,908
Renter					
2000 Census	32,103	15.0%	30,130	14.1%	214,410
2011 Five-Year ACS	56,021	20.4%	51,835	18.9%	274,680
Total					
2000 Census	88,538	12.2%	66,169	9.1%	725,309
2011 Five-Year ACS	167,907	15.2%	126,200	11.4%	1,102,980

Renters with a severe cost burden are at risk of homelessness. Cost-burdened renters who experience one financial setback often must choose between rent and food or rent and health care for their families. Similarly, homeowners with a mortgage who have just one unforeseen financial constraint, such as temporary illness, divorce, or the loss of employment, may face foreclosure or bankruptcy. Furthermore, households that no longer have a mortgage yet still experience a severe cost burden may be unable to conduct periodic maintenance and repair of their homes, and in turn, may contribute to a dilapidation and blight problem. All three of these situations should be of concern to policymakers and program managers.

HOUSING COSTS

Census tracts with relatively high median contract rental costs tended to be located close to urban areas and entitlement jurisdictions, as shown in Map II.13 on page 43. The highest contract rental costs were observed in Census tracts near Tuscaloosa, Bessemer, and Hoover,

where median contract rental costs ranged from \$1,469 to \$2,001. By contrast, median rental costs were \$252 or less throughout much of the west and southwest of the state.

As one might expect, many of the same Census tracts with relatively high median contract rental costs also had relatively high median home values, as shown in Map II.14 on page 44. The highest home values tended to be located close to urban areas of the state, while home values in inland tracts in the southwest of the state tended to have relatively low home values. For example, in many of the Census tracts to the south of Selma the median home values were less than \$55,000.

SUMMARY

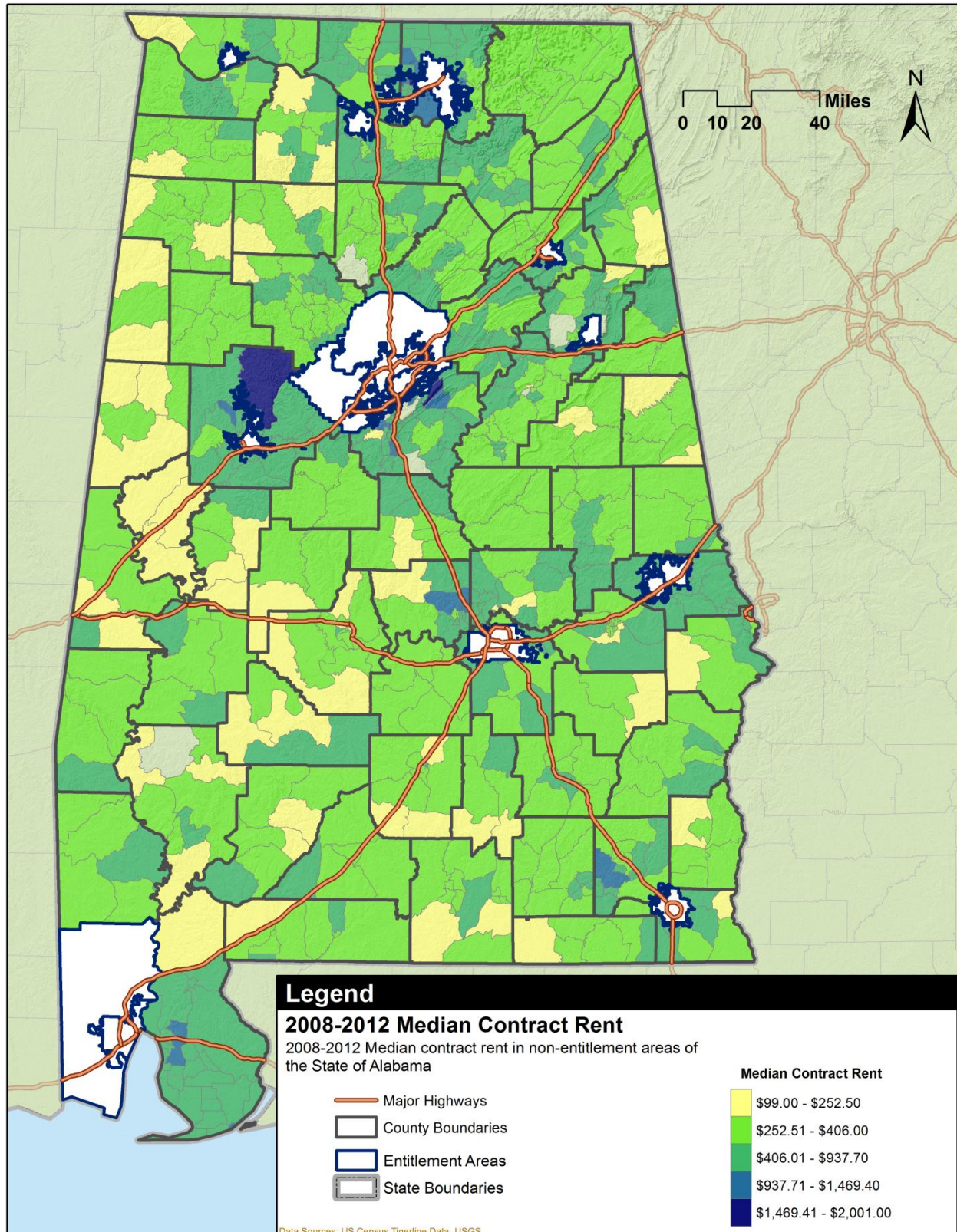
The size of the population in non-entitlement areas of Alabama grew by 9.6 percent between 2000 and 2010. Growth was more pronounced in the older cohorts, or those which included residents aged 55 to 64 and residents 65 and older. These groups grew by 40.8 percent and 19.6 percent, respectively. The elderly cohort, which includes residents aged 65 and older, grew the most rapidly at the younger end of the spectrum, as the number of residents aged 65 to 66 grew by 34.2 percent and the number of residents aged 67 to 69 increased by 29.4 percent.

As the population of the state's non-entitlement areas increased between 2000 and 2010, its racial and ethnic composition underwent a modest shift. White and black residents together accounted for 95 percent of the population in 2010, and white residents accounted for the largest share of any single group, or 76.7 percent. However, these populations grew at a relatively slow pace between Censuses, and declined slightly as a share of the overall population. At the same time, the Hispanic population grew considerably, more than doubling in number and as a share of the overall population, and accounted for 3.9 percent of the state's non-entitlement residents in 2010. Geographically, the black population was largely concentrated in the southern half of the state (the "black belt") and around the cities of Talladega, Huntsville, Madison, and Decatur. The Hispanic population was observed to be concentrated in rural areas in the north of the state.

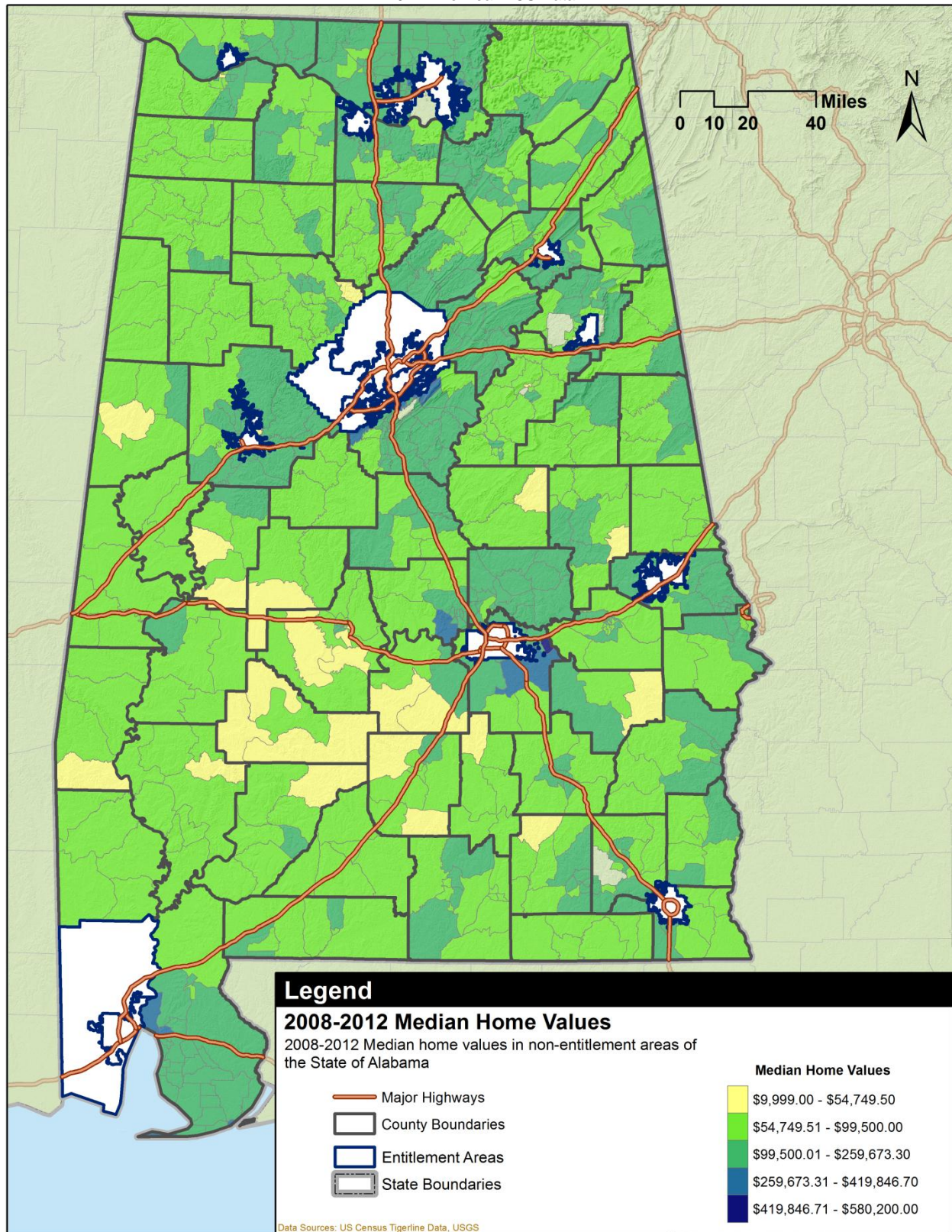
In 2008-2012, there were an estimated 495,346 residents with disabilities in non-entitlement areas of the State of Alabama. Census tracts with relatively high concentrations of residents with disabilities were scattered throughout the state in that year. The share of residents who were living with some form of disability was 24.1 percent in 2000; however, due to changes in the ACS questionnaire in 2008 disability figures established prior to that year are not directly comparable with figures from later years.

The labor market in the state's non-entitlement areas has fluctuated considerably in the years since 1990. Overall, the nineties were a period of solid growth in the number of employed and the size of the labor force. Both declined considerably in the first few years after 2000 before strong growth in the labor market resumed in around 2003-2004. However, by 2007 that growth had leveled off, and the number of employed fell dramatically over the following two years, leading to a spike in the unemployment rate, which topped ten percent in 2009. Growth in the number of employed led to a drop in the unemployment rate over the following years. Though that growth appears to be leveling off, the unemployment has continued to fall through 2013 thanks to a reduction in the size of the labor force, and stood at 6.5 percent in that year.

Map II.13
Median Contract Rent
 Non-Entitlement Areas of Alabama
 2012 Five-Year ACS Data



Map II.14
Median Home Values
 Non-Entitlement Areas of Alabama
 2012 Five-Year ACS Data



Real average earnings and real per capita income (PCI) in the state as a whole have also fluctuated in the years since 2000, after a decade of relatively strong growth. Growth in earnings continued through 2004, after which the amount that the average worker earned remained close to \$46,000 for several years. That figure dropped to around \$45,000 in 2007, but showed positive growth between that year and 2010. Since 2010, earnings have held steady at approximately \$46,300 per year in 2012 dollars. Real per capita income, on the other hand, grew steadily from 2002 through 2008, fell by over \$1,000 in 2009, and has shown positive growth since that year. By 2012, the average income in the state was \$36,462. In spite of overall growth in earnings and income in the state as a whole, the poverty rate in the state's non-entitlement area rose from 15.5 to 17.2 percent from 2000 through 2012. Census tracts with relatively high poverty rates were clustered in inland areas in the south and southwest of the state.

Residents of the state's non-entitlement areas were less likely to be homeowners in 2010 than they had been in 2000, as the share of occupied unit that were owner-occupied fell from 78.3 to 75 percent (the share of renter-occupied units correspondingly grew from 21.7 to 25 percent). At the same time, vacant housing units increased as a share of the overall housing stock by 1.4 percentage points. A majority of vacant units were for rent; for sale; or for seasonal, recreational, or occasional use. However, 33.4 percent of units were classified as "other vacant" in 2010. Such units are problematic, for the reason that they are not available to the marketplace and may represent a blighting influence where they are grouped in close geographic proximity to each other. In this connection, the high concentration of "other vacant" units in and around Tuskegee is potentially a cause for concern: more than 71.5 percent of vacant units in this area were classified as "other vacant".

Though the number of larger households, or those with more than five members, increased between 2000 and 2010, the share of housing units that were overcrowded or severely overcrowded fell to two percent of all housing units. Additionally, the share of housing units with incomplete plumbing facilities fell, and though the share of housing units with incomplete kitchen facilities rose slightly, neither represented more than 0.8 percent of all housing units in the state in 2008-2012. Cost-burdening, on the other hand, impacted a larger share of households: 15.2 percent of households had housing costs that ranged from 31 to 50 percent of their overall income, while 11.4 percent of households paid more than 50 percent of their monthly income toward housing costs.

SECTION III. FAIR HOUSING LAW, STUDY, AND CASE REVIEW

As part of the AI process, existing fair housing laws, studies, cases, and other relevant materials were reviewed on a national and local scale. Results of this review are presented below.

FAIR HOUSING LAWS

FEDERAL FAIR HOUSING LAWS

Federal laws provide the backbone for U.S. fair housing regulations. While some laws have been previously discussed in this report, a brief list of laws related to fair housing, as defined on the U.S. Department of Housing and Urban Development's (HUD's) website, is presented below:

Fair Housing Act. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and persons securing custody of children under the age of 18), and handicap (disability).⁸

Title VIII was amended in 1988 (effective March 12, 1989) by the *Fair Housing Amendments Act*. In connection with prohibitions on discrimination against individuals with disabilities, the Act contains design and construction accessibility provisions for certain new multi-family dwellings developed for first occupancy on or after March 13, 1991.⁹

Title VI of the Civil Rights Act of 1964. Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973. Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974. Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990. Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

⁸ "HUD Fair Housing Laws and Presidential Executive Orders."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws

⁹ "Title VIII: Fair Housing and Equal Opportunity."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/progdesc/title8

Architectural Barriers Act of 1968. The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975. The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972. Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.¹⁰

STATE AND LOCAL FAIR HOUSING LAWS

In addition to the federal laws described above, Alabama residents are protected from discrimination in the housing market by the Alabama Fair Housing Law (§24-8-1, et seq.). The protected classes recognized by Alabama law are the same as those recognized in the federal Fair Housing Act.

FAIR HOUSING STUDIES

NATIONAL FAIR HOUSING STUDIES

In 2000, HUD released a publication entitled “Discrimination in Metropolitan Housing Markets,” which measured the prevalence of housing discrimination based on race and ethnicity in the U.S. This was the third nationwide effort to measure discrimination against minority home seekers since 1977, conducted in three phases.

Phase 1 – Black and Hispanic Populations

The study, based on 4,600 paired tests in 23 metropolitan cities in the U.S., found large decreases in the levels of discrimination against black and Hispanic home seekers between 1989 and 2000. In the rental markets, a moderate decrease was seen in discrimination toward black individuals, who experienced adverse treatment more often than white individuals, whereas the Hispanic population was more likely to face discrimination in the rental markets than its black and white counterparts. Many black and Hispanic home seekers were told that units were unavailable, although the same units were available to white home seekers, and the black and Hispanic populations were also shown and told about fewer units. In addition, Hispanic individuals were more likely in 2000 than in 1989 to be quoted a higher rent than white individuals who sought to rent the same unit.

Phase 2 – Asian and Pacific Islander Populations

This study, conducted in 2000 and 2001 and based on 889 paired tests in 11 metropolitan areas in the U.S., showed that Asian and Pacific Islander individuals who sought to rent a unit experienced adverse treatment compared to white individuals in 21.5 percent of tests, which was similar to the rate black and Hispanic individuals saw. The study also showed that Asian and Pacific Islander prospective homebuyers experienced adverse treatment compared to white

¹⁰ “HUD Fair Housing Laws and Presidential Executive Orders.”

prospective homebuyers 20.4 percent of the time, with discrimination occurring in the availability of housing, inspections, assistance with financing, and encouragement by agents.

Phase 3 – American Indian Population

The last phase of HUD's nationwide effort to measure housing discrimination involved estimating the level of discrimination experienced by American Indian individuals in their search for housing in metropolitan areas across Minnesota, Montana, and Alabama. The findings showed that the American Indian population experienced adverse treatments compared to white individuals in 28.5 percent of rental tests. White individuals were consistently told about advertised units, similar units, and more units than American Indian individuals with similar qualifications. The high level of discrimination experienced by the American Indian population in these areas surpassed rates seen by Hispanic, black, and Asian individuals in the metropolitan rental markets nationwide.¹¹

In April 2002, HUD released a national study that assessed public awareness of and support for fair housing law titled *How Much Do We Know?: Public Awareness of the Nation's Fair Housing Laws*. The study found that only 50 percent of the population was able to identify most scenarios describing illegal conduct. In addition, 14 percent of the nationwide survey's adult participants believed that they had experienced some form of housing discrimination in their lifetime. However, only 17 percent of those who had experienced housing discrimination had taken action to resolve the issue, such as filing a fair housing complaint. Finally, two-thirds of all respondents said that they would vote for a fair housing law.¹²

As a follow-up, HUD later released a study in February 2006 called *Do We Know More Now?: Trends in Public Knowledge, Support and Use of Fair Housing Law*. One aim of the study was to determine whether a nationwide media campaign had proven effective in increasing the public's awareness of housing discrimination, and another goal was to determine the public's desire to report such discrimination. Unfortunately, the study found that overall public knowledge of fair housing law did not improve between 2000 and 2005. As before, just half of the public knew the law regarding six or more illegal housing activities. The report showed that 17 percent of the study's adult participants experienced discrimination when seeking housing; however, after reviewing descriptions of the perceived discrimination, it was determined that only about 8 percent of the situations might be covered by the Fair Housing Act. Four out of five individuals who felt they had been discriminated against did not file a fair housing complaint, indicating that they felt it "wasn't worth it" or that it "wouldn't have helped." Others did not know where to complain, assumed it would cost too much, were too busy, or feared retaliation. One positive finding of the survey was that public support for fair housing law increased from 66 percent in 2000 to 73 percent in 2005.¹³

In 2004, the U.S. General Accounting Office's (GAO) released a report titled *Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process*. The

¹¹ "Discrimination in Metropolitan Housing Markets: National Results from Phase 1, Phase 2, and Phase 3 of the Housing Discrimination Study (HDS)." <http://www.huduser.org/portal/publications/hsgfin/hds.html>

¹² U.S. Department of Housing and Urban Development, Office of Policy Development and Research. *How Much Do We Know?: Public Awareness of the Nation's Fair Housing Laws*. April 2002. <http://www.huduser.org/portal/publications/fairhsg/hmwk.html>

¹³ U.S. Department of Housing and Urban Development, Office of Policy Development and Research. *Do We Know More Now?: Trends in Public Knowledge, Support and Use of Fair Housing Law*. February 2006. <http://www.huduser.org/portal/publications/hsgfin/FairHsgSurvey.html>

GAO report found that between 1996 and 2003, the median number of days required to complete fair housing complaint investigations was 259 for HUD's Fair Housing and Equal Opportunity Offices and 195 for Fair Housing Assistance Program (FHAP) agencies, far above the 100-day mandate. However, the report did find a higher percentage of investigations completed within that time limit. The GAO report also identified the following trends between 1996 and 2003:

- The number of fair housing complaints filed each year steadily increased since 1998. An increasing proportion of grievances alleged discrimination based on disability and a declining proportion alleged discrimination based on race, although race was still the most cited basis of housing discrimination;
- FHAP agencies conducted more fair housing investigations than Fair Housing and Equal Opportunity (FHEO) agencies over the eight-year period. The total number of investigations completed each year increased slightly after declining in 1997 and 1998; and
- Over this time period, an increasing percentage of investigations closed without finding reasonable cause to believe discrimination occurred. However, a declining percentage of investigations were resolved by the parties themselves or with help from FHEO or FHAP agencies.¹⁴

In 2006, the University of Southern California and Oregon State University collaborated to study rental discrimination and race. The universities responded to 1,115 advertisements regarding apartment vacancies in Los Angeles State and signed the bottom of each email with Tyrell Jackson, a traditionally black name; Patrick McDougall, a traditionally white name; or Said Al-Rahman, a traditionally Arab name. Analysis indicated that individuals who were perceived as black were four times more likely to be discouraged from viewing an apartment than persons perceived as white, and individuals considered to be Arab were three times more likely to be discouraged from viewing an apartment than individuals who appeared white. The analysis also noted that applicants perceived as black were more likely to receive negative responses, such as the apartment was no longer available for market rate or above market rate apartments. For example, only an email signed Tyrell Jackson received a reply that reiterated the apartment cost to ensure the apartment was within the applicant's price range. The study also analyzed the responses from private property owners versus corporate property owners, but found no statistical difference in the way the two groups responded to applicants of different races.¹⁵

Released by the Poverty & Race Research Action Council in January 2008, *Residential Segregation and Housing Discrimination in the United States* asserts that many current governmental efforts to further fair housing actually result in furthering unfair housing practices across the U.S. This article suggests that fair housing efforts can cause residential segregation. For example, if the majority of public housing residents are non-white and most public housing accommodations are grouped in the same Census tracts, residential segregation is resultant. Similarly, many Section 8 voucher holders are racial or ethnic minorities, and most housing that accepts Section 8 vouchers is grouped in selected areas, which again results in residential segregation. The report offers recommendations to curb such residential segregation, including

¹⁴ U.S. General Accounting Office. "Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process." April 2004. <http://gao.gov/products/GAO-04-463>

¹⁵ Carpusor, Adrian and William Loges. "Rental Discrimination and Ethnicity in Names." *Journal of Applied Social Psychology* 36(4).

dispersing public housing developments throughout cities and communities and providing greater incentives for landlords with several properties to accept the vouchers.¹⁶

Published in 2009 by the National Fair Housing Alliance, *For Rent: No Kids!: How Internet Housing Advertisements Perpetuate Discrimination* presented research on the prevalence of discriminatory housing advertisements on popular websites such as Craigslist. According to the article, while newspapers are prohibited from publishing discriminatory housing advertisements, no such law exists for websites like Craigslist, as they are considered interactive internet providers rather than publishers of content. As such, they are not held to the same legal standards as newspapers. While individual landlords who post discriminatory advertisements may be held responsible, there are no such standards for companies like Craigslist that post the discriminatory advertisements. Newspapers and other publishers of content are required to screen the advertisements they accept for publishing for content that could be seen as discriminatory. This may include phrases like “no children” or “Christian only,” which violate provisions of the Fair Housing Act that state families with children and religious individuals are federally protected groups.¹⁷

In May 2010, the National Fair Housing Alliance published a fair housing trends report, *A Step in the Right Direction*, which indicated that recent years have demonstrated forward movement in furthering fair housing. The report began with a commendation of HUD’s federal enforcement of fair housing law and noted the agency’s willingness to challenge local jurisdictions that failed to affirmatively further fair housing. In response to the recent foreclosure crisis, many credit institutions have implemented tactics to reduce risk. However, this report suggests that policies that tighten credit markets, such as requiring larger cash reserves, higher down payments, and better credit scores, may disproportionately affect lending options for communities of color and women. *A Step in the Right Direction* concludes with examples of ways in which the fair housing situation could be further improved, including addressing discriminatory internet advertisements and adding gender identity, sexual orientation, and source of income as federally protected classes.¹⁸

The positive note that the NFHA struck in its 2010 report carried over into the following year’s *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*, published by the Alliance in April of 2011. This report began by noting an encouraging downward trend in the proportion of individuals in large metropolitan areas living in segregation, which had dropped from 69 to 65 percent between 2000 and 2010, according to census data from 2010. The report also highlighted the work of fair housing organizations to combat systemic and institutionalized discrimination produced by exclusionary zoning, NIMBYism, the dual credit market, and other fair housing challenges, often on limited budgets and with limited personnel. The NFHA closed its 2011 report by praising the work of private fair housing organizations while underscoring the need for continued work.¹⁹

¹⁶ U.S. Housing Scholars and Research and Advocacy Organizations. *Residential Segregation and Housing Discrimination in the United States*. January 2008. <http://prac.org/pdf/FinalCERDHousingDiscriminationReport.pdf>

¹⁷ National Fair Housing Alliance. *For Rent: No Kids!: How Internet Housing Advertisements Perpetuate Discrimination*. August 2009. <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=zgbukJP2rMM%3D&tabid=2510&mid=8347>

¹⁸ National Fair Housing Alliance. *A Step in the Right Direction: 2010 Fair Housing Trends Report*. May 2010. <http://www.nationalfairhousing.org/Portals/33/Fair%20Housing%20Trends%20Report%202010.pdf>

¹⁹ *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*. National Fair Housing Alliance 2011 Fair Housing Trends Report. 29 April 2011. <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=SbZH3pTEZhs%3d&tabid=3917&mid=5321>

The 2012 report from the NFHA focused on issues of fair housing in the context of the shifting demographic composition of the United States, where the white population is projected to no longer represent a majority of residents within thirty years. The report discussed encouraging signals from HUD and the Justice Department, who have “increased their efforts and announced landmark cases of mortgage lending, zoning, and other issues that get to the heart of the [Fair Housing] Act: promoting diverse and inclusive communities²⁰.” The report also highlights a new arena for discrimination in housing, which has emerged as a result of the massive level of foreclosures in the country in recent years: uneven maintenance of Real Estate Owned (REO) properties in white and minority areas. In concluding, the report hails the creation of the Consumer Financial Protection Bureau as a new ally for fair housing and equal opportunity.²¹

The most recent report from the NFHA outlines an ambitious policy goal: expansion of the Fair Housing Act to prohibit discrimination based on source of income, sexual orientation, gender identity, and marital status. The report relates that cases of housing discrimination in general increased between 2011 and 2012, and that complaints based on non-protected statuses (source of income, etc.) were included in that upward trend. In spite of this, only 12 states include protections based on source of income, 21 states prohibit discrimination based on sexual orientation, sixteen states protect against discrimination based on gender identity, and 22 states offer protections based on marital status (the District of Columbia also extends protections on all of these bases). In concluding the report, the NFHA advocates the modernization and expansion of the FHA to bring the protection of individuals based on source of income, sexual orientation, gender identity, and marital status within its compass.

A CHANGING FAIR HOUSING LANDSCAPE

As noted in the introduction to this report, provisions to affirmatively further fair housing (AFFH) are long-standing components of HUD’s Housing and Community Development programs. In fact, in 1970, *Shannon v. HUD* challenged the development of a subsidized low-income housing project in an urban renewal area of Philadelphia that was racially and economically integrated. Under the Fair Housing Act, federal funding for housing must further integrate community development as part of furthering fair housing, but the plaintiffs in the *Shannon* case claimed that the development would create segregation and destroy the existing balance of the neighborhood. As a result of the case, HUD was required to develop a system to consider the racial and socio-economic impacts of their projects.²² The specifics of the system were not decided upon by the court, but HUD was encouraged to consider the racial composition and income distribution of neighborhoods, racial effects of local regulations, and practices of local authorities.²³ The *Shannon* case gave entitlement jurisdictions the responsibility of considering the segregation effects of publicly-funded housing projects on their communities as they affirmatively further fair housing.

²⁰ <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=GBv0ZVJp6Gg%3d&tabid=3917&mid=5321>

²¹ *Ibid.*

²² U.S. HUD. *39 Steps Toward Fair Housing*. <http://www.hud.gov/offices/fheo/39steps.pdf>

²³ Orfield, Myron. “Racial Integration and Community Revitalization: Applying the Fair Housing Act to the Low Income Housing Tax Credit.” *Vanderbilt Law Review*, November 2005.

More recently, in a landmark fraud case, Westchester County, New York, was ordered to pay more than \$50 million to resolve allegations of misusing federal funds for public housing projects and falsely claiming their certification of affirmatively furthering fair housing. The lawsuit was filed in 2007 by the Anti-Discrimination Center (ADC), a New York-based non-profit organization, under the False Claims Act. According to the ADC, the County “failed to consider race-based impediments to fair housing choice; failed to identify and take steps to overcome impediments; and failed to meet its obligations to maintain records concerning its efforts.”

In a summary judgment in February 2009, a judge ruled that the County had made “false certifications on seven annual AFFH certifications and on more than a thousand implied certifications of compliance when it requested a drawdown of HUD funds”. Pursuant to a settlement agreement brokered by the Obama Administration in April 2009, Westchester County was required to pay more than \$30 million to the federal government, with roughly \$20 million eligible to return to the County to aid in public housing projects. The County was also ordered set aside \$20 million to build public housing units in suburbs and areas with mostly white populations, and to promote legislation “currently before the Board of Legislators to ban ‘source-of-income’ discrimination in housing (§33(g))”.²⁴

Finding that Westchester had failed to affirmatively further fair housing in the manner agreed upon in the earlier settlement, HUD rejected the County’s AFFH certification and discontinued federal funding in 2011. As of April 2013, HUD’s decision had been upheld through several rounds of appeals by the County²⁵. The case is likely to have ramifications for entitlement communities across the nation; activities taken to affirmatively further fair housing will likely be held to higher levels of scrutiny to ensure that federal funds are being spent to promote fair housing and affirmatively further fair housing. The case also signals an increased willingness on the part of HUD to bring enforcement pressure to bear in order to insure that state and local jurisdictions comply with the AFFH requirements.

Affirmatively Furthering Fair Housing

At the same time that HUD has pursued a more active role in fair housing enforcement, the agency has sought to bring additional guidance and clarity to fair housing policy. This effort was inspired in part by the agency’s own assessment of shortcomings in current policy, and in part by criticism from other agencies; notably the Government Accountability Office (GAO).²⁶ In 2009, HUD noted that many of the AIs it reviewed as part of an internal study did not conform to the agency’s guidelines. This finding was reaffirmed in a 2010 study conducted by the GAO, which sought to assess the effectiveness of Analyses of Impediments as a tool to affirmatively further fair housing, as well as their effectiveness as planning documents. According to the GAO, an estimated 29 percent of CDBG and HOME grantees’ AIs were prepared in 2004 or earlier, and were therefore likely to be of limited usefulness in current planning efforts. Furthermore, the GAO found that those AIs that were up to date largely lacked features that would render them more effective as planning documents, including timetables and the signatures of top elected officials. More generally, the GAO noted that HUD guidelines

²⁴ <http://www.hud.gov/content/releases/settlement-westchester.pdf>

²⁵ *United States v Westchester County* 712 F.3d 761 2013 U.S. App.

²⁶ 24 CFR §5, 91, 92, et al. (2013)(Proposed Rule)

concerning AIs are unclear, and that its requirements for the analyses are minimal²⁷. Under those requirements, the agency observed, grantees are “not required through regulation to update their AIs periodically, include certain information, follow a specific format in preparing AIs, or submit them to HUD for review²⁸.”

The conclusion of the GAO study is reflected in its title: *HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions’ Fair Housing Plans*. In response to the criticism of the GAO, as well as a longstanding recognition on the part of HUD that fair housing policy stood in need of improvement and clarification, the agency developed and published a proposed rule entitled *Affirmatively Furthering Fair Housing* in July of 2013. The proposed rule represents a substantial restructuring of the AFFH process, eliminating the AI and replacing it with the Assessment of Fair Housing (AFH). According to the rule, the AFH will (1) incorporate key demographic and econometric metrics specifically identified by HUD, (2) be completed with nationally uniform data provided by HUD, and (3) be submitted to HUD for review in advance of the consolidated plan to insure that the findings of the fair housing analysis are fully integrated into the consolidated planning process.²⁹ The comment period for the proposed rule ended in September of 2013. A final action on the rule, originally scheduled for December 2014, is now slated for March 2015.

As noted in the winter edition of the Pennsylvania Association of Housing and Redevelopment Agencies Monitor, “the [proposed rule’s] four specifically articulated goals are noble, if not perhaps aspirational:

1. “Improve integrated living patterns and overcome historic patterns of segregation;
2. Reduce or eliminate racially and ethnically concentrated areas of poverty;
3. Reduce disparities in access to community assets such as education, transit access, employment, as well as exposure to environmental health hazards and other stressors that harm a person’s quality of life; and
4. Address disproportionate housing needs by protected classes³⁰.”

Nevertheless, according to the author, the Final Rule has the potential to “divert much needed funds away from impacted neighborhoods”; accordingly, “it remains to be seen whether the final version of the rule will truly facilitate [meaningful fair housing planning] and lead to greater housing opportunity, mobility, and choice³¹.” Note that because a final action on the rule is still forthcoming, the current AI effort is being undertaken in conformity to HUD guidance that is currently in place, as articulated in the Fair Housing Planning Guide and subsequent memoranda.

Discriminatory Effects and the Fair Housing Act

In addition to the proposed rule that seeks to update and clarify the AFFH requirements for states and local jurisdictions, HUD finalized a rule in February 2015 that was intended to “formalize HUD’s long-held interpretation of the availability of ‘discriminatory effects’ liability

²⁷ “HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions’ Fair Housing Plans”. *Government Accountability Office*. September 2010.

²⁸ *Ibid.*, page 32.

²⁹ 24 CFR §5, 91, 92, et al. (2013)(Proposed Rule)

³⁰ Poltrock, Leigh A. “Affirmatively Furthering Fair Housing: The Good, the Bad, and the Ugly of the Proposed Rule and Draft Assessment Tool.” *Pennsylvania Association of Housing and Redevelopment Agencies Monitor*. Winter 2014-2015, page 19. Accessible at <http://pahra.org/wp-content/uploads/2015/01/PAHRA-Monitor-Winter-2014-15.pdf>

³¹ *Ibid.*

under the Fair Housing Act³².” According to HUD, individuals and businesses may be held liable for policies and actions that are neutral on their face but have a discriminatory effect. This theory of liability had not yet been articulated by the signing of the Civil Rights Acts of 1964 or 1968; however, it has been an important test for discrimination in employment since the Supreme Court found in 1971³³ that the Civil Rights Act “proscribes not only overt discrimination but also practices that are fair in form, but discriminatory in operation³⁴.” The first test of “disparate impact theory” in housing law came in 1974, *with United States v. City of Black Jack*³⁵. In that case, the government alleged that the City of Black Jack had “exercised its zoning powers to exclude... a federally-subsidized housing development”, thereby excluding residents of low-income housing, who were disproportionately black.³⁶

In deciding on the matter, the Eight Circuit Court maintained that a plaintiff “need prove no more than that the conduct of the defendant actually or predictably results in racial discrimination” to make a case that the conduct is itself discriminatory³⁷. The theory of discriminatory effect established in this case has been consistently applied in fair housing cases and upheld in every district court decision in which it served to establish or support the charge of housing discrimination.³⁸ However, this theory of liability is facing its most severe challenge in decades in a case that is currently before the Supreme Court.³⁹

Texas Department of Housing and Community Affairs v. The Inclusive Communities Project

In 2008, a Dallas-based non-profit organization called the Inclusive Communities Project (“the Project”) sued the Texas Department of Housing and Community Affairs (“the Department”), claiming that the point system by which it allocates federal tax subsidies serves to concentrate subsidized housing in low-income communities.⁴⁰ In the lawsuit, the Project relies on the theory of disparate impact that has been established through decades of jurisprudence but on which the Supreme Court has never definitively ruled.

According to the Project, the Department disproportionately allocates low-income housing tax credits in minority areas while denying those credits in predominantly white communities. In addition to the direct effect of concentrating units subsidized through these tax credits, the Project alleges that this manner of allocation leads to the further concentration of Section 8 Housing in those same areas⁴¹, which serves to limit housing options for low-income, minority residents to areas with high concentrations of racial minority residents.⁴² In its original complaint, the Project argued both that the point scheme was intentionally discriminatory and that it produced a disparate impact on minority residents. The District Court for the Northern

³² 24 CFR §100 (2013)

³³ Garrow, David J. “Toward a Definitive History of *Griggs v. Duke Power Company*”. 67 Vand. L. Rev. 197 (2014).

³⁴ *Griggs v. Duke Power Co.*, 401 U.S. 430 (1971).

³⁵ Rich, Joseph D. “HUD’s New Discriminatory Effects Regulation: Adding Strength and Clarity to Efforts to End Residential Segregation.” Lawyers’ Committee for Civil Rights Under Law. May 2013.

³⁶ *United States v. City of Black Jack, Missouri*, 508 F.2d 1179, 1184 (8th Cir. 1974)

³⁷ *Ibid.*

³⁸ 24 CFR §100 (2013); Rich, Joseph D. “HUD’s New Discriminatory Effects Regulation: Adding Strength and Clarity to Efforts to End Residential Segregation.” Lawyers’ Committee for Civil Rights Under Law. May 2013.

³⁹ Rich, Joe and Thomas Silverstein. “Symposium: The case for disparate impact under the Fair Housing Act.” Supreme Court of the United States Blog. January 6, 2015. Accessible at <http://www.scotusblog.com/2015/01/symposium-the-case-for-disparate-impact-under-the-fair-housing-act/>

⁴⁰ *Inclusive Communities Project v. Texas Department of Housing and Community Affairs* (2014).

⁴¹ *Ibid.* Section 8 housing vouchers, which are not generally accepted by private landlords, cannot be turned down by those who receive low income housing tax credits.

⁴² *Ibid.*

District of Texas found that the Project had failed to prove intentional discrimination but had proved its disparate impact claim.

Having been upheld in the U.S., Court of Appeals for the Fifth Circuit, it is this claim that is currently the subject of deliberation on the part of the Supreme Court justices.⁴³ In asking the Supreme Court to consider the case, the Department presented the court with two questions: First, “are disparate-impact claims cognizable under the Fair Housing Act?”⁴⁴ In other words, does the Act permit disparate-impact claims? Second, in the event that the Court finds that the FHA does allow such claims, the Department also asked “what standards and burdens of proof that should apply.”⁴⁵ The Court’s decision on this matter is likely to profoundly impact fair housing policy in the United States, either by upholding a key tenet, or removing one of the most important tools, of fair housing enforcement.⁴⁶

LOCAL FAIR HOUSING CASES

Recent U.S. Department of Justice Cases

The U.S. Department of Justice (DOJ) enacts lawsuits on behalf of individuals based on referrals from HUD. Under the Fair Housing Act, the DOJ may file lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights; and
- Where persons who believe that they have been victims of an illegal housing practice file a complaint with HUD or file their own lawsuit in federal or state court.⁴⁷

The DOJ has filed fifteen discrimination cases against housing providers in the State of Alabama in the last ten years. Nearly half of these cases involved discrimination on the basis of race, and the types of discriminatory actions alleged in complaints of racial discrimination included the following:

- Expressing a preference of tenants based on race and color, and citing a lack of African-American tenants as a “selling point” for the apartment complex (*United States v. Biswas*)
- Telling black testers that no apartments were available while telling white testers, who inquired on the same day, that apartments were available in an apartment complex (*United States v. Dawson Development CO. and Milburn Long*)
- Charging black home loan borrowers higher interest rates than white borrowers (*United States v. First Lowndes Bank*)

⁴³ Howe, Amy. “Will the third time be the charm for the Fair Housing Act and disparate-impact claims? In Plain English.” Supreme Court of the United States Blog. January 6, 2015. Accessible at “<http://www.scotusblog.com/2015/01/will-the-third-time-be-the-charm-for-the-fair-housing-act-and-disparate-impact-claims-in-plain-english/>”

⁴⁴ *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project* (2014). Petition for a Writ of Certiorari.

⁴⁵ *Ibid.*

⁴⁶ Howe, Amy. “Will the third time be the charm for the Fair Housing Act and disparate-impact claims? In Plain English.” Supreme Court of the United States Blog. January 6, 2015. Accessible at “<http://www.scotusblog.com/2015/01/will-the-third-time-be-the-charm-for-the-fair-housing-act-and-disparate-impact-claims-in-plain-english/>”

⁴⁷ “The Fair Housing Act.” The United States Department of Justice. http://www.justice.gov/crt/about/hce/housing_coverage.php

- Discriminatory pricing and redlining (*United States v. First United Security Bank*)
- Instructing property managers not to rent to black persons and families with children (*United States v. Johnson et al.* and *United States v. Lawrence Properties, Inc., et al.*)
- Evicting a rental tenant after learning that her daughter was bi-racial (*United States v. Stevens*)

In addition to these cases, the DOJ filed six complaints against housing providers in the State of Alabama alleging discrimination based on disability status. The specific discriminatory actions alleged in these cases included the following:

- Evicting a patient because of his disability (*United States v. Ashford County Housing Authority and Shirley Foxworth*)
- Failure, on the part of the City of Satsuma and its Board of Adjustment, to make reasonable accommodation by refusing to allow three persons with disabilities to reside together in a group home (*United States v. City of Satsuma, et al.*)
- Failure, on the part of the City of Saraland and its Board of Adjustment, to make reasonable accommodation by refusing to allow the establishment of a group home by special exception to local zoning ordinances (*United States v. City of Saraland, Alabama and Saraland Board of Adjustment*)
- Refusing to allow a tenant with reduced mobility to move into the ground-floor apartment of an apartment complex. This tenant later injured himself falling down the stairs to his second story apartment (*United States and Statlander v. Warren Properties, Inc.*).

The latter case resulted in the largest settlement ever obtained in a single housing discrimination case: \$1,195,000 in monetary damages to the complainant and \$55,000 to the United States. The amount that complainants were awarded in damages varied considerably across these cases; the minimum amount was \$20,000, and the average (among cases that settled and in which monetary damages were assessed) was approximately \$100,000. Almost every case filed by the DOJ against housing providers in Alabama was settled.

SUMMARY

Alabama residents are protected from discrimination in the housing market by the federal Fair Housing Act and the Alabama Fair Housing Law. Both prohibit discrimination on the basis of race, color, sex, religion, national origin, familial status, and disability. In spite of the existence of such prohibitions at the state and national level, fair housing studies and cases indicate that housing discrimination persists in the nation and in the State of Alabama, though discriminatory practices and policies are less overt now than in the past. In addition, the fifteen cases filed by the DOJ against housing providers in the state give some indication of the most common kinds of discrimination to which state residents have been subjected. The most common case involved allegations of discrimination on the basis of race, which was cited in seven cases, followed by discrimination against individuals with disabilities, cited in six complaints.

SECTION IV. REVIEW OF THE EXISTING FAIR HOUSING STRUCTURE

The purpose of this section is to provide a profile of fair housing in the State of Alabama based on a number of factors, including an enumeration of key agencies and organizations that contribute to affirmatively furthering fair housing, evaluation of the presence and scope of services of existing fair housing organizations, and a review of the complaint process.

FAIR HOUSING AGENCIES

FEDERAL AGENCIES

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the federal Fair Housing Act. HUD's regional office in Atlanta oversees housing, community development, and fair housing enforcement in Alabama, as well as Mississippi, Tennessee, Kentucky, North Carolina, South Carolina, Georgia, Florida, the U.S. Virgin Islands, and Puerto Rico. Contact information for HUD is listed below⁴⁸:

Address:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
Washington, DC 20410-2000

Telephone: (202) 708-1112

Toll Free: (800) 669-9777

Web Site: <http://www.HUD.gov/offices/fheo/online-complaint.cfm>

The contact information for the regional HUD office in Atlanta is:

Address:

Atlanta Regional Office
U.S. Department of Housing and Urban Development Southeast Office
40 Marietta Street
Atlanta, GA 30303

Telephone: (404) 331-5001

Website: <http://www.HUD.gov>

The Office of Fair Housing and Equal Opportunity (FHEO) in HUD's Atlanta office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in Alabama. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws,

and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP), as described below.

Fair Housing Assistance Program

The Fair Housing Assistance Program (FHAP) was designed to support local and state agencies that enforce local fair housing laws, provided that these laws are substantially equivalent to the Fair Housing Act. Substantial equivalency certification is a two-phase process: in the first phase, the Assistant Secretary for Fair Housing and Equal Opportunity makes a *prima facie* determination on the substantial equivalency of a state or local law to the federal Fair Housing Act. Once this determination has been made, and the law has been judged to be substantially equivalent, the agency enforcing the law is certified on an interim basis for a period of three years. During those three years, the local enforcement organization “builds its capacity to operate as a fully certified substantially equivalent agency.” FHAP grants during this time period are issued to support the process of building capacity. When the interim certification period ends after three years, the Assistant Secretary issues a determination on whether or not the state law is substantially equivalent to the Fair Housing Act “in operation”, this is the second phase of the certification process. If the law is judged to be substantially equivalent in operation, the agency enforcing the law is fully certified as a substantially equivalent agency for five years.

HUD will typically refer most complaints of housing discrimination to a substantially equivalent state or local agency for investigation (such complaints are dual-filed at HUD and the State or local agency), if such an agency exists and has jurisdiction in the area in which the housing discrimination was alleged to have occurred. When federally subsidized housing is involved, however, HUD will typically investigate the complaint.

The benefits of substantially equivalent certification include the availability of funding for local fair housing activities, shifted enforcement power from federal to local authorities, and the potential to make the fair housing complaint process more efficient by vesting enforcement authority in those who are more familiar with the local housing market. In addition, additional funding may be available to support partnerships between local FHAP grantees and private fair housing organizations. However, there are no FHAP grantees in the State, either at the state or local level.

Fair Housing Initiative Program

The Fair Housing Initiative Program (FHIP) is designed to support fair housing organizations and other non-profits that provide fair housing services to people who believe they have faced discrimination in the housing market. These organizations provide a range of services including initial intake and complaint processing, referral of complainants to government agencies that enforce fair housing law, preliminary investigations of fair housing complaints, and education and outreach on fair housing law and policy.

FHIP funding is available through three initiatives⁴⁹: the Fair Housing Organizations Initiative (FHOI), the Private Enforcement Initiative (PEI), and the Education and Outreach Initiative (EOI). These initiatives are discussed in more detail below:

The Fair Housing Organizations Initiative (FHOI): FHOI funds are designed to help non-profit fair housing organizations build capacity to effectively handle fair housing enforcement and outreach activities. A broader goal of FHOI funding is to strengthen the national fair housing movement by encouraging the creation of fair housing organizations.

The Private Enforcement Initiative (PEI): PEI funds are intended to support the fair housing activities of established non-profit organizations, including testing and enforcement, and more generally to offer a “range of assistance to the nationwide network of fair housing groups”.

The Education and Outreach Initiative (EOI): EOI funding is available to qualified fair housing non-profit organizations as well as State and local government agencies. The purpose of the EOI is to promote initiatives that explain fair housing to the general public and housing providers, and provide the latter with information on how to comply with the requirements of the FHA.

Non-profit organizations are eligible to apply for funding under each or all of these initiatives. To receive FHOI funding, such organizations must have at least two years’ experience in complaint intake and investigation, fair housing testing, and meritorious claims in the three years prior to applying for funding. Eligibility for PEI funding is subject to “certain requirements related to the length and quality of previous fair housing enforcement experience.” Organizations applying for the EOI must also have two years’ experience in the relevant fair housing activities; EOI funds are also potentially available to State and local government agencies.

There are two FHIP organizations currently operating in the State of Alabama: the Center for Fair Housing (CFH) and the Central Alabama Fair Housing Center (CAFHC). The former received \$319,795 in HUD grants in 2013 under the Private Enforcement Initiative, and the CAFHC received \$324,000 under the same initiative. The MFHC was founded in 1997, and currently serves residents of eight counties in southern Alabama. The CAFHC began in 1995, and serves the residents of 29 counties in Central Alabama. A third fair housing organization, the Fair Housing Center of Northern Alabama, was a FHIP recipient in 2011, but not in 2012, 2013, or 2014.

STATE AGENCIES

The Alabama Department of Economic and Community Affairs (ADECA) is charged by Alabama State Code (§24-8-9 *et seq*) with administering the provisions of the Alabama Fair Housing Law. The text of this law is included in Appendix F, and the complaint process provided for in the law is outlined on pages 62 and 63 below. As part of its powers and duties,

⁴⁹ Though there are four initiatives included in the FHIP, no funds are currently available through the Administrative Enforcement Initiative.

ADECA is asked to accept fair housing complaints from Alabama residents, investigate those complaints, attempt to broker conciliation agreements between complainants and respondents, designate panels to hear complaints, and oversee the compliance with orders issued by such panels. In addition, ADECA may initiate studies, publish reports, and “promulgate regulations necessary for the enforcement of [the Alabama Fair Housing Law]”, as long as such regulations do not exceed the requirements of the federal Fair Housing Act.⁵⁰ ADECA may be contacted through the following information:

Alabama Department of Economic and Community Affairs

P.O. Box 5690

Montgomery, Alabama 36103

Telephone: (334) 242-5100

FAX: (334) 242-5099

Email: contact@adeca.alabama.gov

NON-PROFIT ORGANIZATIONS

There are two current FHIP grantees serving residents of southern and central Alabama: Mobile-based Center for Fair Housing and the Montgomery-based Central Alabama Fair Housing Center. In addition, the Fair Housing Center of Northern Alabama serves residents of northern Alabama.

The Center for Fair Housing

The Center for Fair Housing (CFH) serves residents of eight counties in southern Alabama: Mobile, Baldwin, Monroe, Conecuh, Clarke, Choctaw, Washington, and Escambia Counties. The CFH offers a range of housing services, pertaining to housing counseling, financial literacy, outreach and education, accessibility, enforcement, and legal services. A FHIP grantee, the CFH received roughly \$400,000 in HUD funding in 2011, \$445,000 in 2012, \$320,000 in 2013, and \$320,000 in 2014. The CFH may be contacted through the following information:

Center for Fair Housing

602 Bel Air Boulevard, Suite 7

Mobile, Alabama 36606

Telephone: (251) 479-1532

FAX: (251) 479-1488

Email: info@sacfh.org

The Central Alabama Fair Housing Center

The Central Alabama Fair Housing Center (CAFHC) serves residents of twenty-nine counties in Central Alabama: Autauga, Barbour, Bullock, Butler, Chambers, Chilton, Coffee, Coosa, Covington, Crenshaw, Dale, Dallas, Elmore, Geneva, Greene, Hale, Henry, Houston, Lee, Lowndes, Macon, Marengo, Montgomery, Perry, Pike, Russell, Sumter, Tallapoosa, and Wilcox

⁵⁰ It should be noted that, in spite of the fact that ADECA is vested with the authority and responsibility to receive fair housing complaints and enforce the state’s Fair Housing Law, the resources available to the agency to enforce the law are limited, particularly in light of ADECA’s responsibility to conduct the economic and community development activities that represent the core of its mission.

Counties. The mission of the CAFHC is to “promote understanding of and to help insure compliance with the federal Fair Housing Act.” In service of this mission, the CAFHC conducts outreach and educational activities related to fair housing; investigates complaints filed by residents of central Alabama; files administrative or court actions; and mediates fair housing disputes between complainants and housing providers. A FHIP grantee, the organization received \$274,000 from HUD in 2011, \$324,000 in 2012, \$324,000 in 2013, and \$324,000 in 2014. The CAFHC may be contacted through the following information:

Central Alabama Fair Housing Center

2867 Zelda Road

Montgomery, Alabama 36106

Telephone: (334) 263-4663

FAX: (334) 263-4664

Fair Housing Center of Northern Alabama

The Fair Housing Center of Northern Alabama (FHCNA) serves residents of Northern Alabama who feel that they have been subjected to illegal discrimination in the state’s housing market. As a FHIP grantee in 2011⁵¹, the FHCNA conducted fair housing tests and promoted fair housing policy through the provision of education, outreach, enforcement, and investigative services. The FHCNA may be contacted through the following information:

Fair Housing Center of Northern Alabama

1728 Third Avenue North, Suite 400C

Birmingham, Alabama 35203

Telephone: (205) 324-0111

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COMPLAINT PROCESS REVIEW

COMPLAINT PROCESSES FOR FAIR HOUSING AGENCIES

U.S. Department of Housing and Urban Development

The intake stage is the first step in the complaint process. When a complaint is submitted, intake specialists review the information and contact the complainant (the party alleging housing discrimination) in order to gather additional details and determine if the case qualifies as possible housing discrimination. If the discriminatory act alleged in the complaint occurred within the jurisdiction of a substantially equivalent state or local agency under the FHAP, the complaint is referred to that agency, which then has 30 days to address the complaint. If that agency fails to address the complaint within that time period, HUD can take the complaint back.

If HUD determines that it has jurisdiction and accepts the complaint for investigation, it will draft a formal complaint and send it to the complainant to be signed. Once HUD receives the

⁵¹ The Fair Housing Center of Northern Alabama received \$275,000 in HUD funding in that year.

signed complaint, it will notify the respondent (the party alleged to have discriminated against the complainant) within ten days that a complaint has been filed against him or her. HUD also sends a copy of the formal complaint to the respondent at this stage. Within ten days of receiving the formal complaint, the respondent must respond to the complaint.

Next, the circumstances of the complaint are investigated through interviews and examination of relevant documents. During this time, the investigator attempts to have the parties rectify the complaint through conciliation. The case is closed if conciliation of the two parties is achieved or if the investigator determines that there was no reasonable cause of discrimination. If conciliation fails, and reasonable cause is found, then either a federal judge or a HUD Administrative Law Judge hears the case and determines damages, if any.⁵² In the event that the federal court judge finds the discrimination alleged in a complaint to have actually occurred, the respondent may be ordered to:

- Compensate for actual damages, including humiliation, pain, and suffering;
- Provide injunctive or other equitable relief to make the housing available;
- Pay the federal government a civil penalty to vindicate the public interest, with a maximum penalty of \$10,000 for a first violation and \$50,000 for an additional violation within seven years; and/or
- Pay reasonable attorneys' fees and costs.⁵³

If neither party elects to go to federal court, a HUD Administrative Law Judge will hear the case. Once the judge has decided the case, he or she issues an initial decision. If the judge finds that housing discrimination has occurred, he or she may award a civil penalty of up to \$11,000 to the complainant, along with actual damages, court costs, and attorney's fees. When the initial decision is rendered, any party that is adversely affected by that decision can petition the Secretary of HUD for review within 15 days. The Secretary has 30 days following the issuance of the initial decision to affirm, modify, or set aside the decision, or call for further review of the case. If the Secretary does not take any further action on the complaint within 30 days of the initial decision, the decision will be considered final. After that, any aggrieved party must appeal to take up their grievance in the appropriate court of appeals.⁵⁴

Alabama Department of Economic and Community Affairs

According to Alabama Code of Law (§24-8-12), those who feel that they have been subjected to unlawful discrimination in housing market in Alabama can file a complaint with the Alabama Department of Economic and Community Affairs (ADECA) within 180 days of the alleged discriminatory act. Once ADECA has received the complaint, it will notify the respondent, i.e., the accused party. With 30 days of the receipt of the complaint, ADECA will investigate the complaint and notify the complainant whether or not the agency intends to resolve the complaint.

The agency has one hundred days to complete the investigation of the complaint. In the time between the filing of the complaint and the end of the investigation, ADECA may attempt to

⁵² "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/fheo/complaint-process.cfm>

⁵³ "Fair Housing—It's Your Right." <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

⁵⁴ "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/fheo/complaint-process.cfm>

resolve the complaint informally through conference, conciliation, or persuasion. If the complaint has not been resolved through one of these processes, the investigator will submit a statement of facts to ADECA and recommend either that the complaint be dismissed or that a panel be convened to hear the complaint. However, either party has the option of pursuing the matter in a civil court action in lieu of the administrative process.

If ADECA issues an order for a hearing, the complaint will be heard by a panel of three persons designated by ADECA. If the panel determines that the complaint represents a true instance of housing discrimination, it may levy penalties against the respondent. Such penalties, which may not exceed those provided for in the federal Fair Housing Act, potentially include injunctive relief, fines, actual damages, and reasonable attorney's fees. If the panel determines that no unlawful discrimination occurred the case will be dismissed. Either party may appeal the panel's decision.

If either party elects to bring the complaint before a civil court, they must do so within a year of the alleged discriminatory housing practice. If the court finds that discrimination has occurred, it may issue an order for injunctive relief, actual damages, punitive damages, and reasonable attorney's fees.

SUMMARY

Residents of Alabama's non-entitlement areas who feel that they have been subjected to discrimination prohibited under the federal Fair Housing Act may lodge a complaint with HUD, which also promotes fair housing policy in the state through partnerships with two organizations that serve residents in southern and central Alabama. These organizations, the Center for Fair Housing and Central Alabama Fair Housing Center, provide outreach and education pertaining to fair housing law and policy in addition to furthering enforcement of fair housing law through investigation of fair housing complaints. A third organization, the Fair Housing Center of Northern Alabama, is a former participant in the FHIP program that serves residents of Northern Alabama. The Alabama Department of Economic and Community Affairs (ADECA) is the agency charged with enforcement of the state's Fair Housing Law, though resources available to the agency for promoting fair housing policy and enforcing fair housing law are limited.

SECTION V. FAIR HOUSING IN THE PRIVATE SECTOR

As part of the AI process, the U.S. Department of Housing and Urban Development (HUD) suggests that the analysis focus on possible housing discrimination issues in both the private and public sectors. Examination of housing factors in the State of Alabama's public sector is presented in **Section VI**, while this section focuses on research regarding the State's private sector, including the mortgage lending market, the real estate market, the rental market, and other private sector housing industries.

LENDING ANALYSIS

HOME MORTGAGE DISCLOSURE ACT

Since the 1970s, the federal government has enacted several laws aimed at promoting fair lending practices in the banking and financial services industries. A brief description of selected federal laws aimed at promoting fair lending follows:

The 1968 *Fair Housing Act* prohibits discrimination in housing based on race, color, religion, and national origin. Later amendments added sex, familial status, and disability. Under the Fair Housing Act, it is illegal to discriminate against any of the protected classes in the following types of residential real estate transactions: making loans to buy, build, or repair a dwelling; selling, brokering, or appraising residential real estate; and selling or renting a dwelling.

The *Equal Credit Opportunity Act* was passed in 1974 and prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, and the exercise of any right under the Consumer Credit Protection Act.

The *Community Reinvestment Act* was enacted in 1977 and requires each federal financial supervisory agency to encourage financial institutions in order to help meet the credit needs of the entire community, including low- and moderate-income neighborhoods.

Under the *Home Mortgage Disclosure Act (HMDA)*, enacted in 1975 and later amended, financial institutions are required to publicly disclose the race, sex, ethnicity, and household income of mortgage applicants by the Census tract in which the loan is proposed as well as outcome of the loan application.⁵⁵ The analysis presented herein is from the HMDA data system.

The HMDA requires both depository and non-depository lenders to collect and publicly disclose information about housing-related applications and loans.⁵⁶ Both types of lending institutions must meet the following set of reporting criteria:

- The institution must be a bank, credit union, or savings association;
- The total assets must exceed the coverage threshold;⁵⁷

⁵⁵ *Closing the Gap: A Guide to Equal Opportunity Lending*, The Federal Reserve Bank of Boston, April 1993. <http://www.bos.frb.org/commdev/closing-the-gap/closingt.pdf>

⁵⁶ Data are considered "raw" because they contain entry errors and incomplete loan applications. Starting in 2004, the HMDA data made significant changes in reporting, particularly regarding ethnicity data, loan interest rates, and the multi-family loan applications.

- The institution must have had an office in a Metropolitan Statistical Area (MSA);
- The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling;
- The institution must be federally insured or regulated; and
- The mortgage loan must have been insured, guaranteed, or supplemented by a federal agency or intended for sale to the Federal National Mortgage Association (FNMA or Fannie Mae) or the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These agencies purchase mortgages from lenders and repackage them as securities for investors, making more funds available for lenders to make new loans.

For other institutions, including non-depository institutions, additional reporting criteria are as follows:

- The institution must be a for-profit organization;
- The institution's home purchase loan originations must equal or exceed 10 percent of the institution's total loan originations, or more than \$25 million;
- The institution must have had a home or branch office in an MSA or have received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancing mortgages on property located in an MSA in the preceding calendar year; and
- The institution must have assets exceeding \$10 million or have originated 100 or more home purchases in the preceding calendar year.
- Institutions must report the race, ethnicity, and income of applicants, as well as the location of the property, i.e., the Census tract in which the property lies

HMDA data represent most mortgage lending activity and are thus the most comprehensive collection of information available regarding home purchase originations, home remodel loan originations, and refinancing. While HMDA data are available for more years than are presented in the following pages, modifications were made in 2004 for documenting loan applicants' race and ethnicity, so data are most easily compared after that point.

Home Purchase Loans

Residents of the non-entitlement areas of Alabama applied for 1,888,955 home loans from 2004 through 2013, according to HMDA data. As shown in Table V.1 below, 716,563 of these applications were for home purchase loans. A complete version of this table, with loan data for all year, is included in Appendix C.

Table V.1
Purpose of Loan by Year
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Purpose	Total
Home Purchase	716,563
Home Improvement	149,542
Refinancing	1,022,850
Total	1,888,955

⁵⁷ Each December, the Federal Reserve announces the threshold for the following year. The asset threshold may change from year to year based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Home purchase loan applications are categorized by occupancy status in Table V.2 below. As shown, most of these prospective loans were intended to finance the purchase of homes in which the loan applicant intended to live. The analysis of home lending presented in the AI will focus exclusively on these owner-occupied loans, since they bear most directly on an applicant's ability to choose where he or she lives. Of the 716,563 home purchase loan applications submitted in Alabama's non-entitlement areas, 637,667 were for owner-occupied units. A complete version of this table, with loan data for all year, is included in Appendix C.

Table V.2
Occupancy Status for Home
Purchase Loan Applications
 Non-Entitlement Areas of Alabama
 2004–2013 HMDA Data

Status	Total
Owner-Occupied	637,667
Not Owner-Occupied	73,930
Not Applicable	4,966
Total	716,563

Denial Rates

After the owner-occupied home purchase loan application is submitted, the applicant receives one of the following status designations:

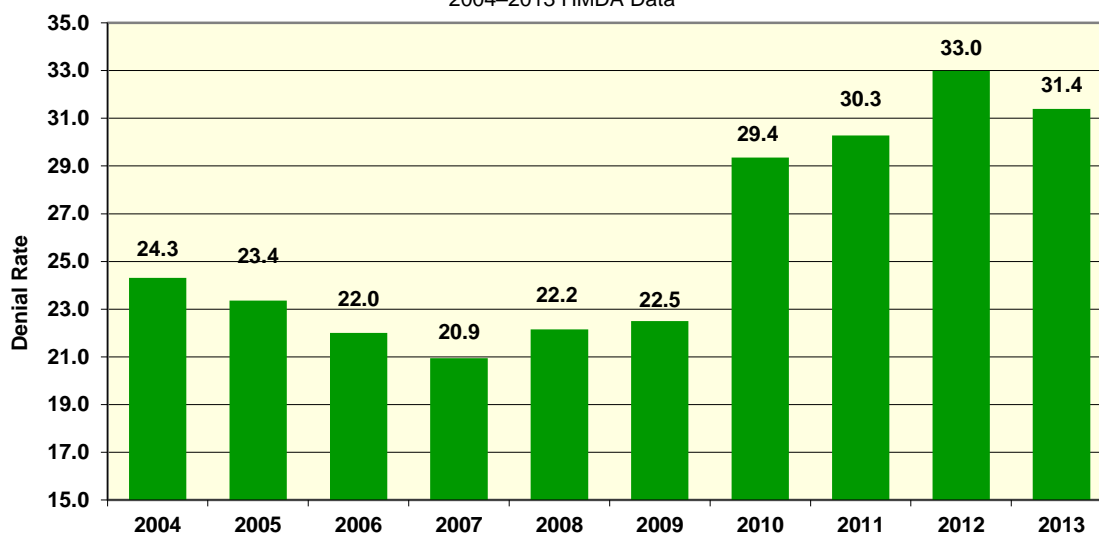
- "Originated," which indicates that the loan was made by the lending institution;
- "Approved but not accepted," which notes loans approved by the lender but not accepted by the applicant;
- "Application denied by financial institution," which defines a situation wherein the loan application failed;
- "Application withdrawn by applicant," which means that the applicant closed the application process;
- "File closed for incompleteness" which indicates the loan application process was closed by the institution due to incomplete information; or
- "Loan purchased by the institution," which means that the previously originated loan was purchased on the secondary market.

Table V.3 on the following page presents the outcome of those owner-occupied home purchase loan applications. As shown, 286,931 loans were originated and 96,902 were denied, for a denial rate of 25.2 percent. Diagram V.1 on the following page illustrates the yearly trend in loan denial rates. As shown, the denial rate in 2004 was 24.3 percent, but fell steadily through 2007, when 20.9 percent of loan applications were denied. After that year, denial rates began to increase, reaching 33 percent in 2013. A complete version of this table, with loan data for all year, is included in Appendix C.

Table V.3
Loan Applications by Action Taken
 Non-Entitlement Areas of Alabama
 2004–2013 HMDA Data

Action	Total
Loan Originated	286,931
Application Approved but not Accepted	38,586
Application Denied	96,902
Application Withdrawn by Applicant	37,893
File Closed for Incompleteness	10,361
Loan Purchased by the Institution	166,705
Preapproval Request Denied	251
Preapproval Approved but not Accepted	38
Total	637,667
Denial Rate	25.2%

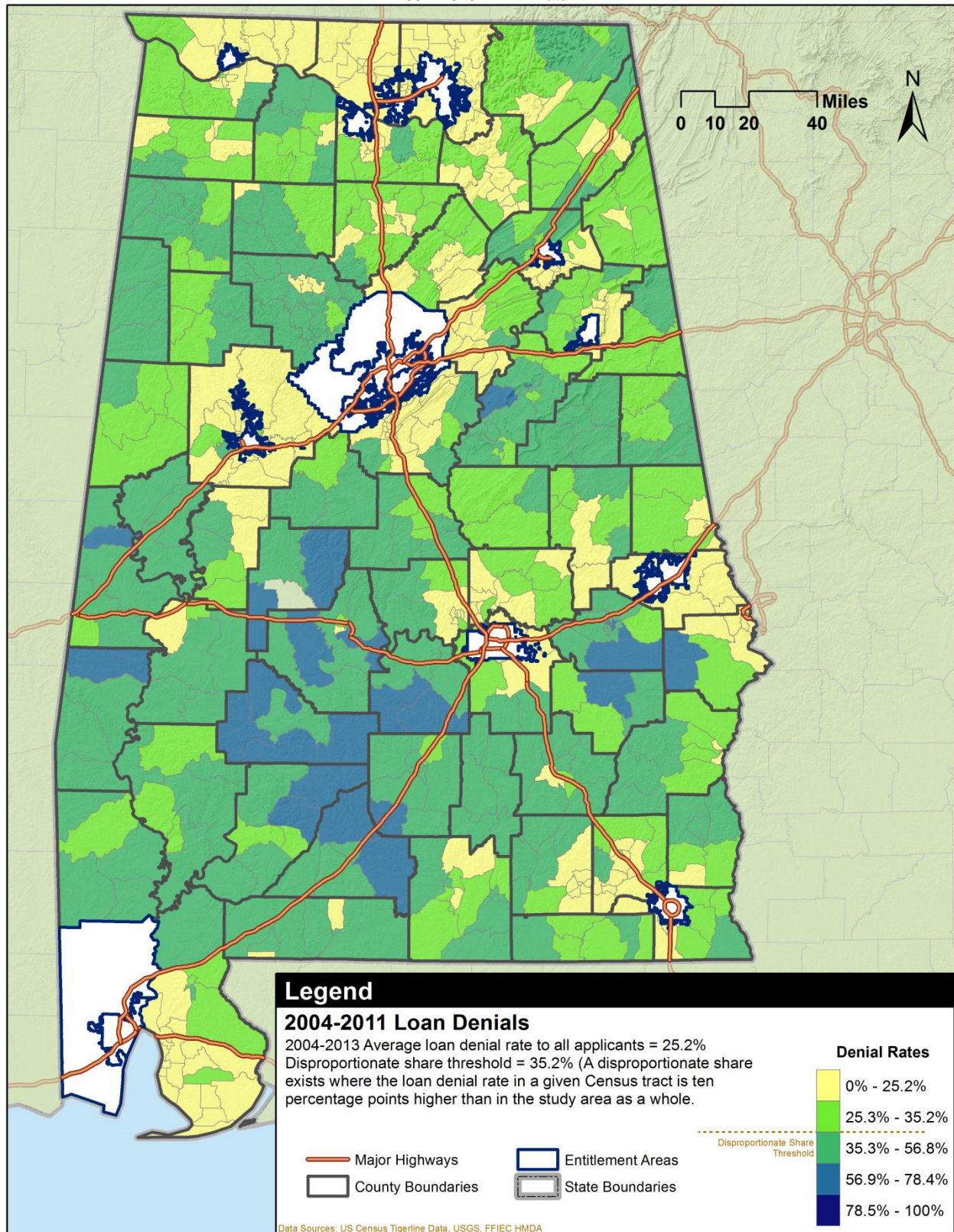
Diagram V.1
Denial Rates by Year
 State of Alabama
 2004–2013 HMDA Data



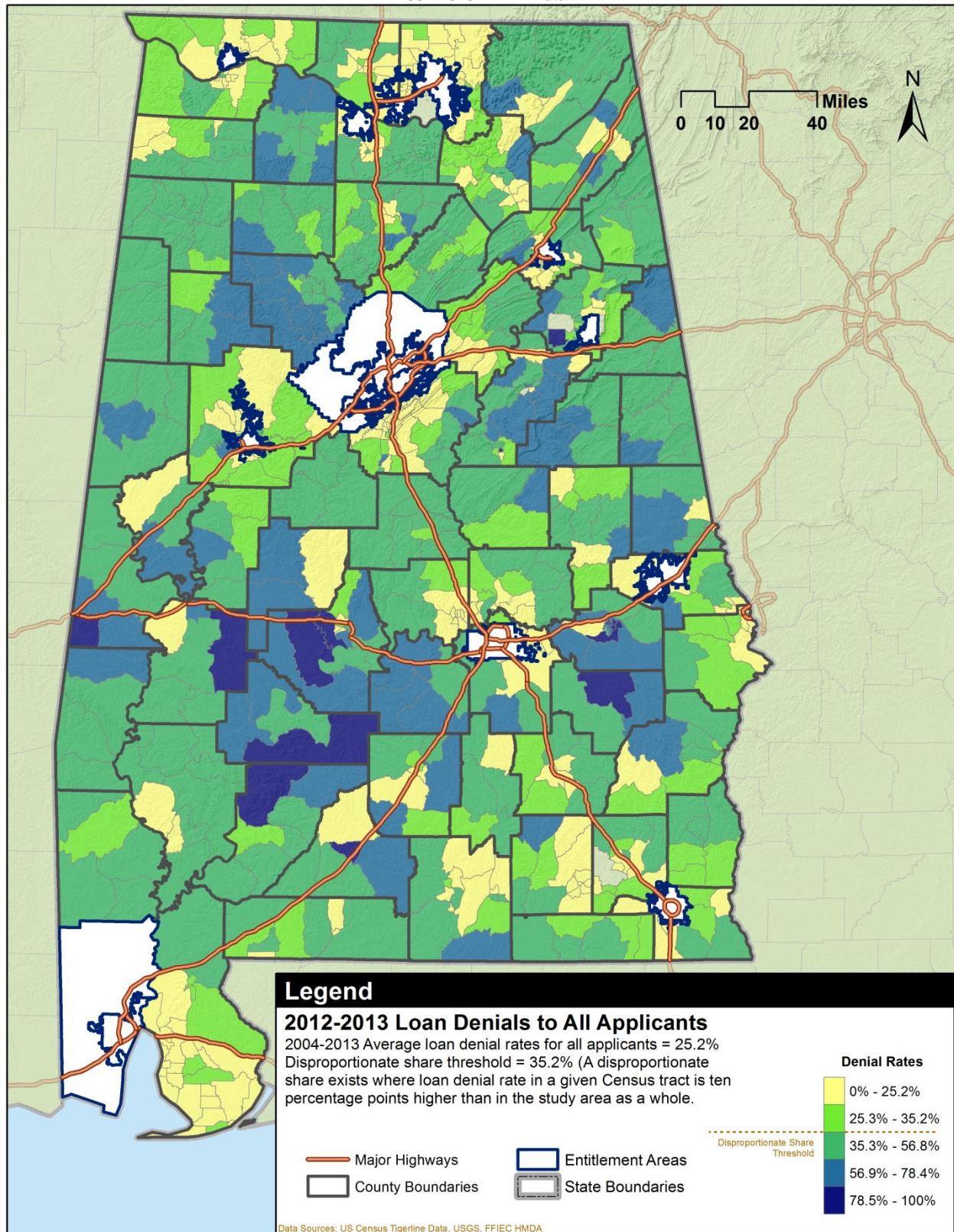
As shown in Map V.1 on the following page, denial rates tended to be at or below the average rate of 25.2 percent in Census tracts surrounding major cities and entitlement areas of the state in the period from 2004 through 2011. Tracts in which the average denial rate was above-average, or disproportionately high, tended to be located in rural areas of the state, particularly in large Census tracts to the west-southwest of Montgomery. In these areas, the percentage of loan applications that were denied ranged from 56.9 to 78.4 percent.

Denial rates continued to be disproportionately high in most rural areas of the state in the period from 2012 through 2013, as shown in Map V.2 on page 72. Areas in which denial rates were average or below average tended to be clustered around major cities and entitlement areas; as they had been in the period from 2004 through 2011. However, while Census tracts with denial rates in excess of 56.9 percent had been largely confined to the southwest of the state in the earlier period, such tracts appeared throughout the state in 2012-2013.

Map V.1
Denial Rates by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data



Map V.2
Denial Rates by Census Tract, 2012-2013
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data



In addition, the rate of loan denials was observed to differ substantially according to the gender of the applicant, as shown in Table V.4 below. On average, female loan applicants were denied loans at a rate that exceeded the denial rate for male applicants by 8.7 percentage points. Female applicants were subject to higher denial rates than male applicants in every year included; the disparity between the two ranging from 6.2 percentage points in 2008 to 10.9 percentage points in 2012.

Table V.4
Denial Rates by Gender of Applicant
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Year	Male	Female	Not Available	Not Applicable	Average
2004	20.7%	29.9%	49.1%	6.7%	24.3%
2005	20.3%	28.3%	41.8%	30.0%	23.4%
2006	19.2%	26.7%	38.5%	9.1%	22.0%
2007	18.3%	25.7%	35.9%	36.4%	20.9%
2008	19.7%	25.9%	40.4%	44.4%	22.2%
2009	20.2%	26.7%	31.9%	83.3%	22.5%
2010	26.2%	35.5%	35.6%	33.3%	29.4%
2011	26.3%	36.7%	50.1%	57.1%	30.3%
2012	29.0%	39.8%	49.7%	33.3%	33.0%
2013	27.3%	38.2%	49.8%	20.0%	31.4%
Average	22.0%	30.7%	42.4%	28.8%	25.2%

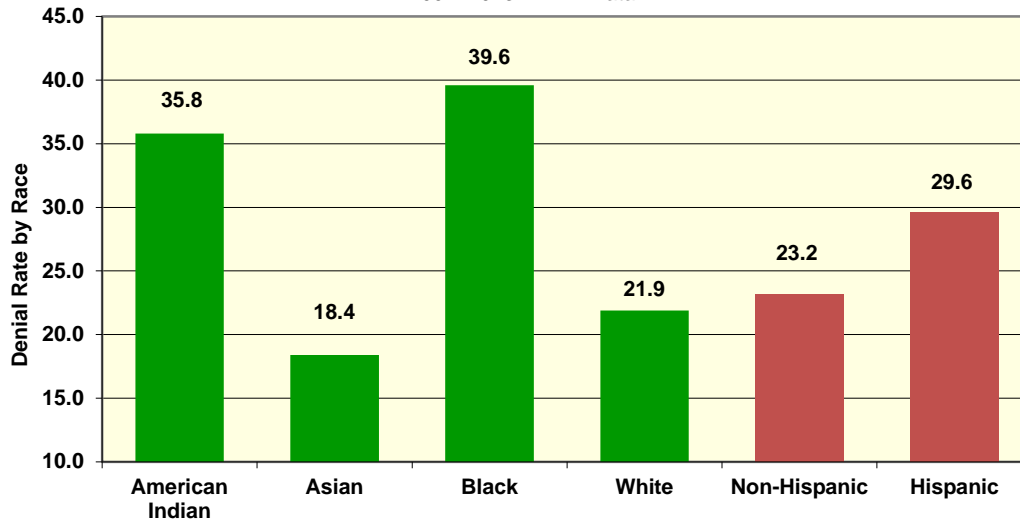
An examination of home purchase loan denials also reveals considerable disparity in loan denials by race and ethnicity. As shown in Table V.5 below, black applicants were denied loans at a rate of 39.6 percent, compared to a denial rate of 21.9 percent for white applicants. Likewise, 29.6 percent of loan applications submitted by Hispanic applicants were denied, compared to a rate of 23.2 percent for non-Hispanic applicants.

Table V.5
Denial Rates by Race/Ethnicity of Applicant
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Race/Ethnicity	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
American Indian	30.1%	34.1%	34.6%	36.0%	28.4%	32.8%	34.3%	36.3%	44.9%	45.8%	35.8%
Asian	17.4%	20.2%	13.8%	14.6%	20.1%	20.5%	19.7%	22.1%	21.3%	20.1%	18.4%
Black	42.3%	35.7%	34.4%	33.2%	33.1%	30.8%	40.8%	44.8%	51.9%	51.4%	39.6%
White	19.8%	19.9%	18.9%	18.4%	19.6%	20.6%	26.9%	26.8%	28.7%	26.9%	21.9%
Not Available	42.9%	40.3%	35.9%	29.1%	35.6%	31.5%	36.4%	41.9%	46.6%	47.2%	38.6%
Not Applicable	14.3%	22.2%	9.1%	50.0%	42.1%	080.0%	033.3%	71.4%	33.3%	20.0%	27.1%
Average	24.3%	23.4%	22.0%	20.9%	22.2%	22.5%	29.4%	30.3%	33.0%	31.4%	25.2%
Non-Hispanic	22.4%	20.9%	20.0%	20.0%	20.9%	21.6%	28.2%	27.6%	29.8%	27.7%	23.2%
Hispanic	35.2%	34.2%	22.2%	24.8%	28.8%	27.1%	31.0%	25.6%	32.2%	34.0%	29.6%

This disparity in overall denial rates by race and ethnicity is presented in Diagram V.2 on the following page.

Diagram V.2
Denial Rates by Race/Ethnicity of Applicant
 Non-Entitlement Areas of Alabama
 2004–2013 HMDA Data

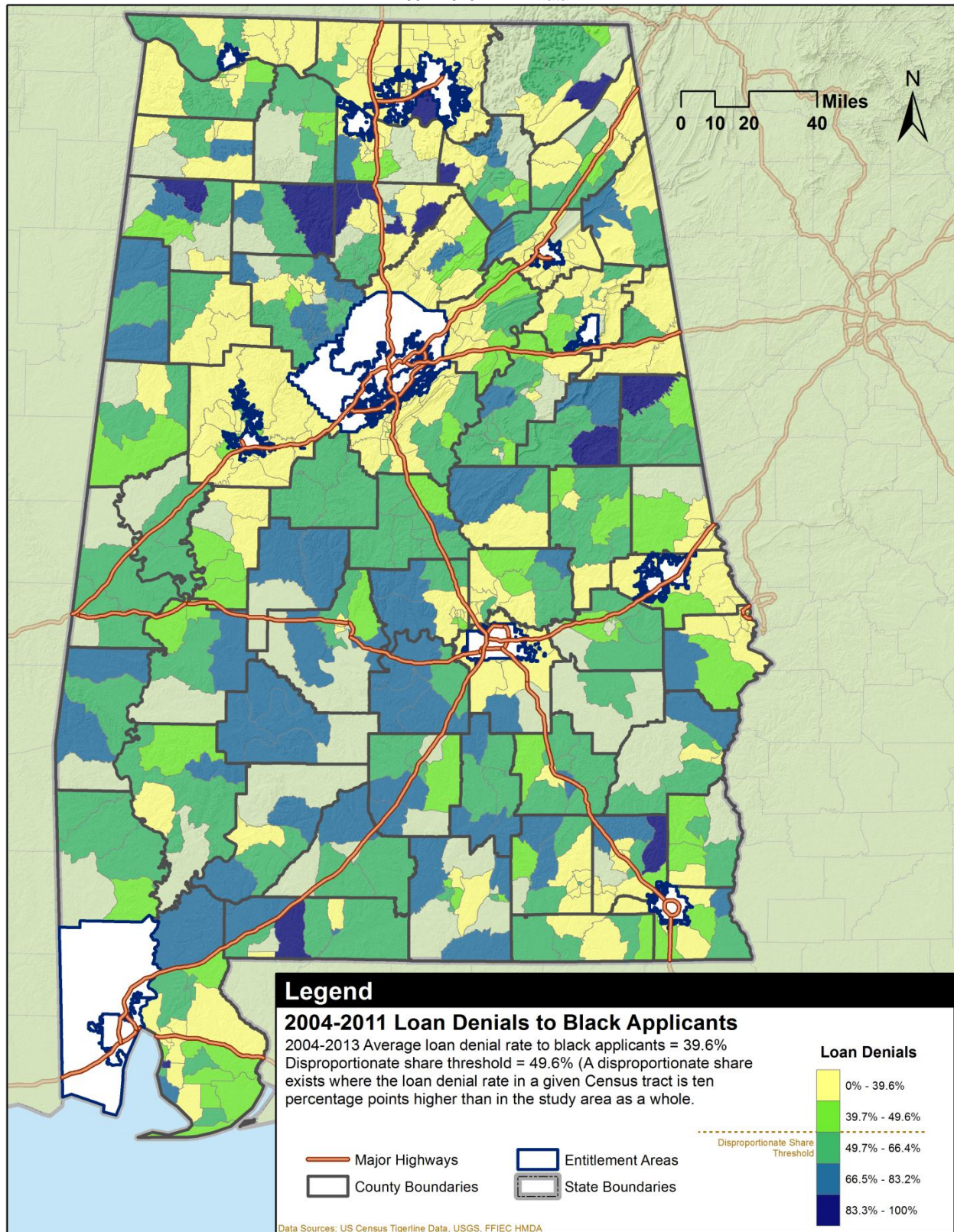


Generally speaking, denial rates tended to be higher in areas with larger shares of black residents. However, the pattern of loan denials to black applicants themselves differed markedly from denial rates overall from 2004 through 2011, as shown in Map V.3 on the following page. Nearly 40 percent of loan denials from black applicants were denied on average, and Census tracts with disproportionately high rates of loan denials to black applicants were scattered throughout the state, and not confined to any particular region.

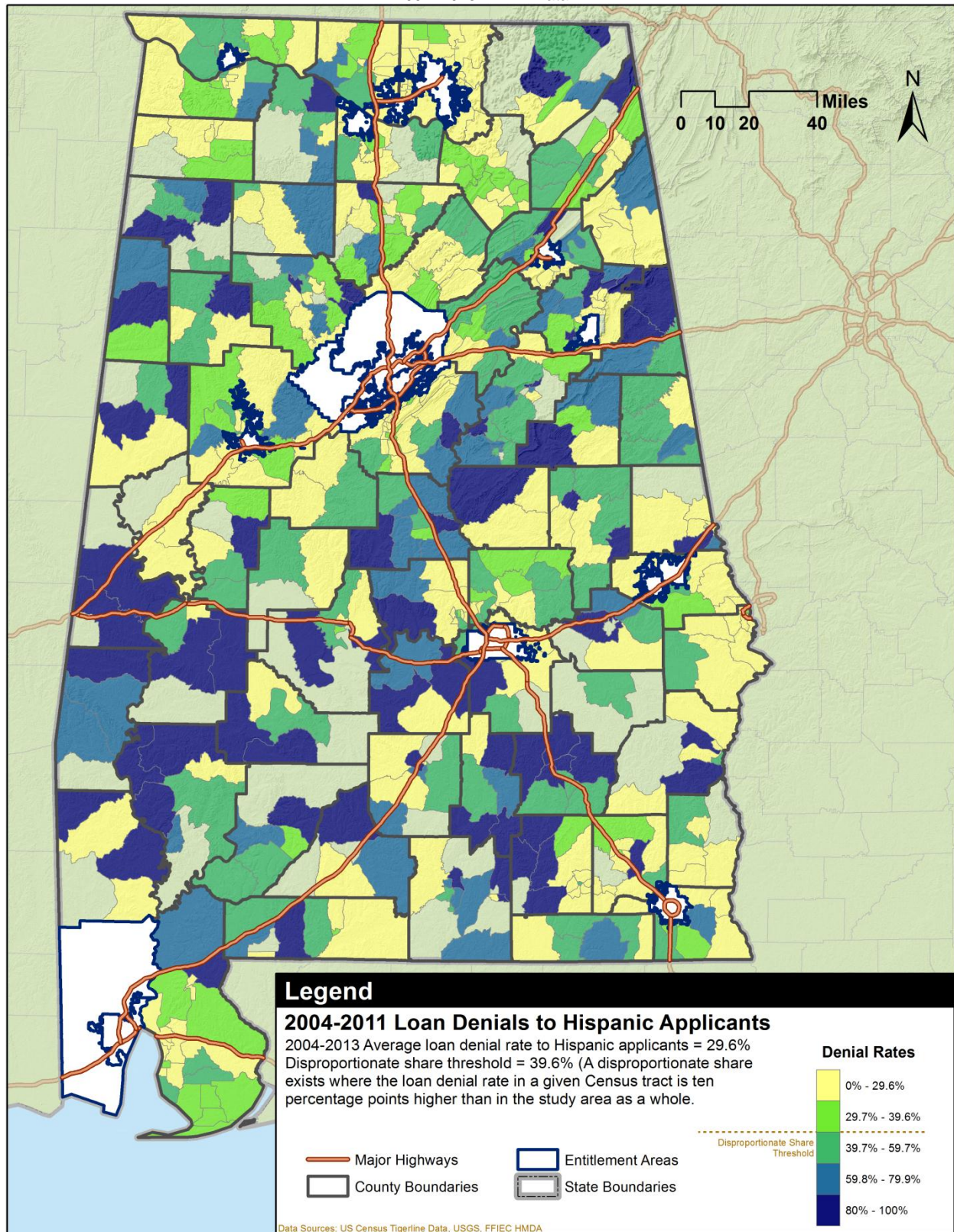
The same was true of loan denials to Hispanic applicants, as shown in Map V.4 on page 76. Just under 30 percent of loan applications from Hispanic residents were denied on average throughout the state's non-entitlement areas from 2004-2011. Census tracts in which the denial rate for Hispanic residents was disproportionately high were observed throughout the state, and were not notably confined to or absent from any particular region.

It is important to note that HMDA data do not include certain information that is highly pertinent to the loan application process, such as the credit score of the applicant or the down payment amount, so it is not possible to analyze all of the factors that lead to a loan denial. For that reason, it is not possible to establish whether, or to what degree, the differential denial rates described above are the result of illegal discrimination on the basis of race, ethnicity, or sex. However, these data do provide some indication of the experience of borrowers in the market place, and indicate that a borrower is less likely to secure a loan if that borrower is black, Hispanic, or female. In addition, borrowers who are able to secure a loan are more likely to be issued high-priced, predatory style loans if they are black or Hispanic.

Map V.3
Denial Rates for Black Applicants by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data



Map V.4
Denial Rates for Hispanic Applicants by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data



Credit history was consistently a primary factor in loan denials, as shown in Table V.6 below. More than thirty percent of loans denied between 2004 and 2013 cited credit history as a factor in the denial, and its importance as a factor in loan denials grew substantially between 2004 and 2009. In 2004, credit history was a primary factor in around 27 percent of loan denials; by 2009, that figure had grown to over 45 percent. Since that year, however, credit history has become considerably less prevalent as a factor in loan denials. The prevalence of debt-to-income ratio as a factor in loan denials also increased considerably after 2005. In that year, only around 7 percent of loan denials cited debt-to-income ratio as a primary factor in loans denials. By 2009, unfavorable debt-to-income ratios were a primary factor in approximately 15 percent of loan denials.

Table V.6
Loan Applications by Reason for Denial
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Denial Reason	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Debt-to-Income Ratio	852	908	1,096	1,106	949	903	1,140	1,142	1,224	1,022	10,342
Employment History	124	121	199	147	175	171	194	165	156	121	1,573
Credit History	3,264	3,608	3,599	3,791	2,818	2,667	2,834	2,384	2,548	1,879	29,392
Collateral	452	685	867	668	413	406	413	399	364	418	5,085
Insufficient Cash	223	223	164	191	161	153	147	158	154	150	1,724
Unverifiable Information	131	192	435	226	159	130	127	117	112	127	1,756
Credit Application Incomplete	382	697	543	368	292	188	195	163	248	218	3,294
Mortgage Insurance Denied	2	3	6	8	29	26	20	6	9	10	119
Other	1,209	1,631	1,189	536	383	304	322	290	285	296	6,445
Missing	5,361	4,644	3,766	2,949	1,767	906	2,739	3,544	5,259	6,237	37,172
Total	12,000	12,712	11,864	9,990	7,146	5,854	8,131	8,368	10,359	10,478	96,902

As one might expect, the rate of loan denials fell as the income of applicants increased. As shown in Table V.7 below, over 70 percent of loans submitted by applicants earning \$15,000 per year or less were denied from 2004 through 2012. Denial rates fell progressively for applicants in higher income brackets; for those earning more than \$75,000 per year the denial rate was only 12.0 percent.

Table V.7
Denial Rates by Income of Applicant
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Income	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
\$15,000 or Below	66.6%	66.8%	56.6%	62.3%	68.6%	67.1%	74.0%	79.0%	85.5%	84.6%	70.4%
\$15,001–\$30,000	39.9%	41.1%	41.1%	37.8%	40.6%	38.9%	49.4%	50.8%	55.8%	56.8%	44.5%
\$30,001–\$45,000	24.8%	25.3%	25.5%	22.7%	24.3%	24.2%	30.3%	32.3%	34.1%	34.4%	27.1%
\$45,001–\$60,000	18.5%	18.0%	18.7%	18.6%	19.2%	19.4%	23.6%	25.5%	28.2%	25.7%	20.8%
\$60,001–\$75,000	12.1%	13.5%	13.6%	13.2%	15.2%	15.3%	19.1%	18.4%	19.8%	19.2%	15.3%
Above \$75,000	9.9%	11.4%	11.0%	11.1%	11.6%	10.8%	14.1%	13.8%	14.7%	14.2%	12.0%
Data Missing	32.4%	20.7%	24.3%	28.6%	29.2%	36.2%	50.9%	52.2%	43.8%	41.5%	30.0%
Total	24.3%	23.4%	22.0%	20.9%	22.2%	22.5%	29.4%	30.3%	33.0%	31.4%	25.2%

Though denial rates tended to fall with entry into higher income brackets, the disparities observed previously in denial rates by race and ethnicity persisted even when applicants earned roughly the same incomes, as shown in Table V.8 on the following page. For example, black applicants making more than \$75,000 per year were denied loans at a rate of 18.7 percent, compared to 10.7 percent for white applicants. Similarly, Hispanic applicants earning

more than \$75,000 per year were subject to a denial rate of 14.8 percent, compared to 11.1 percent for non-Hispanic applicants in the same income range.

Table V.8
Denial Rates of Loans by Race/Ethnicity and Income of Applicant

Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Race	<= \$15K	\$15K–\$30K	\$30K–\$45K	\$45K–\$60K	\$60K–\$75K	Above \$75K	Data Missing	Average
American Indian	74.5%	49.5%	37.4%	31.6%	23.8%	21.3%	46.9%	35.8%
Asian	58.3%	36.7%	25.4%	16.2%	13.4%	10.6%	19.2%	18.4%
Black	82.1%	59.4%	37.7%	29.5%	21.3%	18.7%	55.2%	39.6%
White	65.4%	39.4%	24.1%	18.5%	13.8%	10.7%	22.7%	21.9%
Not Available	77.1%	62.7%	43.0%	34.5%	24.8%	19.8%	49.3%	38.6%
Not Applicable	.0%	62.5%	5.9%	10.0%	20.0%	16.7%	37.1%	27.1%
Average	70.4%	44.5%	27.1%	20.8%	15.3%	12.0%	30.0%	25.2%
Non-Hispanic	68.2%	41.6%	25.1%	19.2%	14.2%	11.1%	25.6%	23.2%
Hispanic	66.0%	44.4%	30.2%	24.8%	16.5%	14.8%	28.6%	29.6%

Predatory Style Lending

In addition to modifications implemented in 2004 to correctly document loan applicants' race and ethnicity, the HMDA reporting requirements were changed in response to the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA). Consequently, loan originations are now flagged in the data system for three additional attributes:

- If they are HOEPA loans;⁵⁸
- Lien status, such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and
- Presence of high annual percentage rate loans (HALs), defined as more than three percentage points higher than comparable treasury rates for home purchase loans, or five percentage points higher for refinance loans.⁵⁹

Of the 286,351 loans originated in non-entitlement areas of Alabama from 2004 through 2013, 49,580 were HALs, as shown in Table V.9 below. These figures yield a HAL rate of 17.3 percent. Note that the prevalence of HALs has dropped considerably since 2005 and 2006, when over a quarter of home purchase loans issued in non-entitlement areas of the state were HALs. However, even at the lowest point in 2010, the HAL rate was 8.5 percent; it began to rise again after that year, and stood at 10.2 percent in 2012.

Table V.9
Originated Owner-Occupied Loans by HAL Status

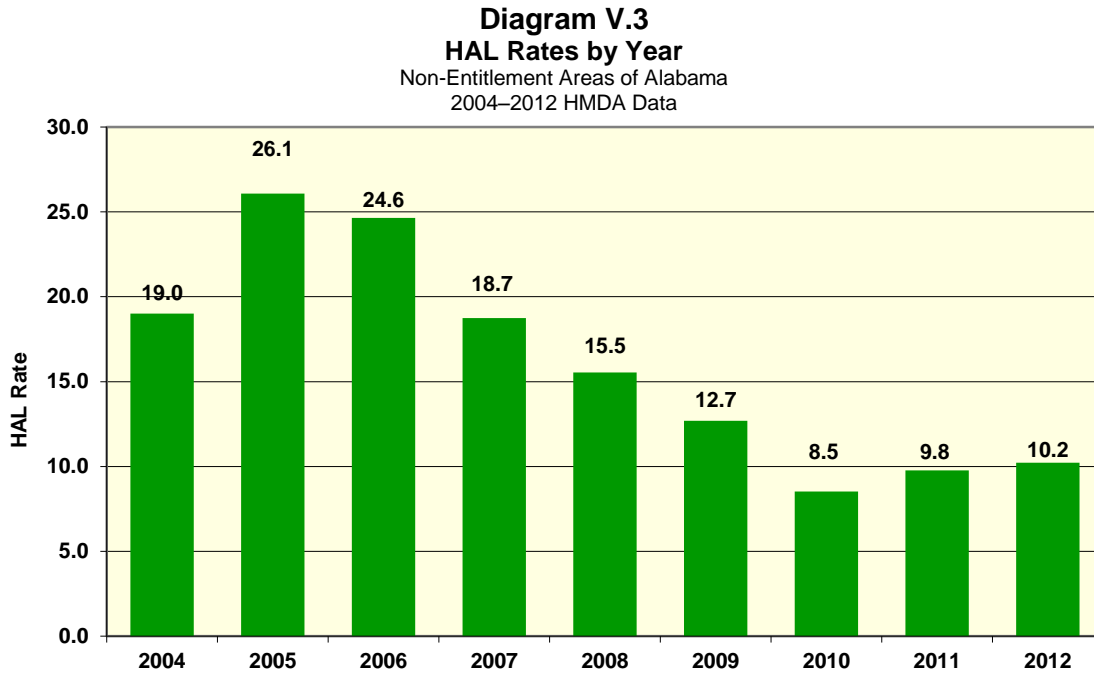
Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Loan Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Other	30,265	30,828	31,699	30,647	21,207	17,608	17,896	17,390	18,895	20,916	237,351
HAL	7,107	10,876	10,367	7,071	3,901	2,559	1,668	1,882	2,152	1,997	49,580
Total	37,372	41,704	42,066	37,718	25,108	20,167	19,564	19,272	21,047	22,913	286,931
Percent HAL	19.0%	26.1%	24.6%	18.7%	15.5%	12.7%	8.5%	9.8%	10.2%	8.7%	17.3%

⁵⁸ Loans are subject to the HOEPA if they impose rates or fees above a certain threshold set by the Federal Reserve Board. "HMDA Glossary." <http://www.ffiec.gov/hmda/glossary.htm#H>

⁵⁹ 12 CFR Part 203, http://www.ffiec.gov/hmda/pdf/regc_020702.pdf

Yearly HAL rate are presented in Diagram V.3 below.

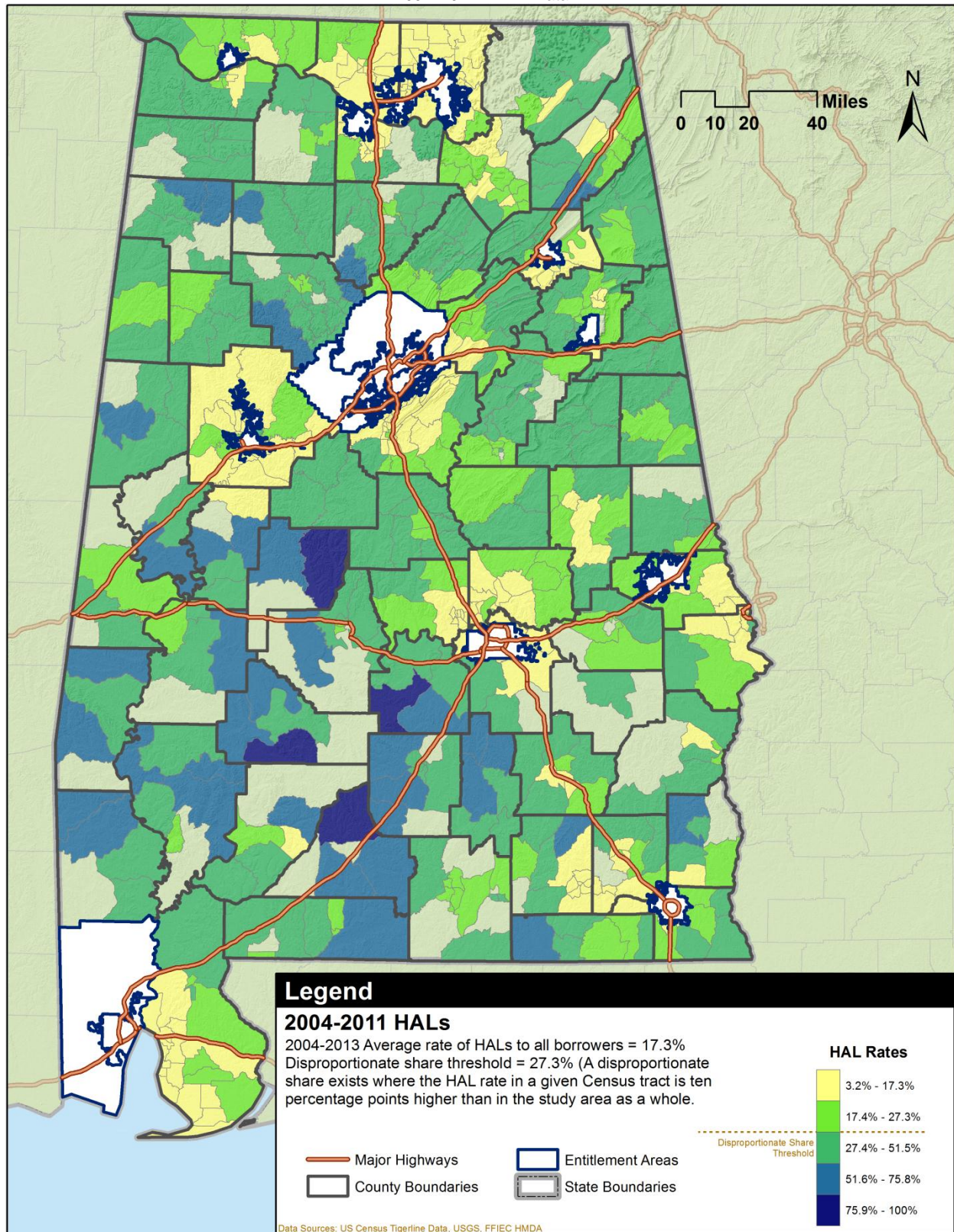


The geographic pattern in the distribution of loans with high annual percentage rates (HALS)⁶⁰ from 2004 through 2011 were similar to those of loan denials during the same time period, as shown in Map V.5 on the following page. However, Census tracts in which these predatory style loans were disproportionately concentrated were more widespread. More than a quarter of home purchase loans were HALs in Census tracts throughout the state; these tracts tended to be in rural areas away from major cities and entitlement areas. Those tracts in which HAL rates were at or below average were generally located closer to those entitlement jurisdictions. Most of the tracts in which the HAL rate exceeded 51.5 percent were located in the south and southwest of the state.

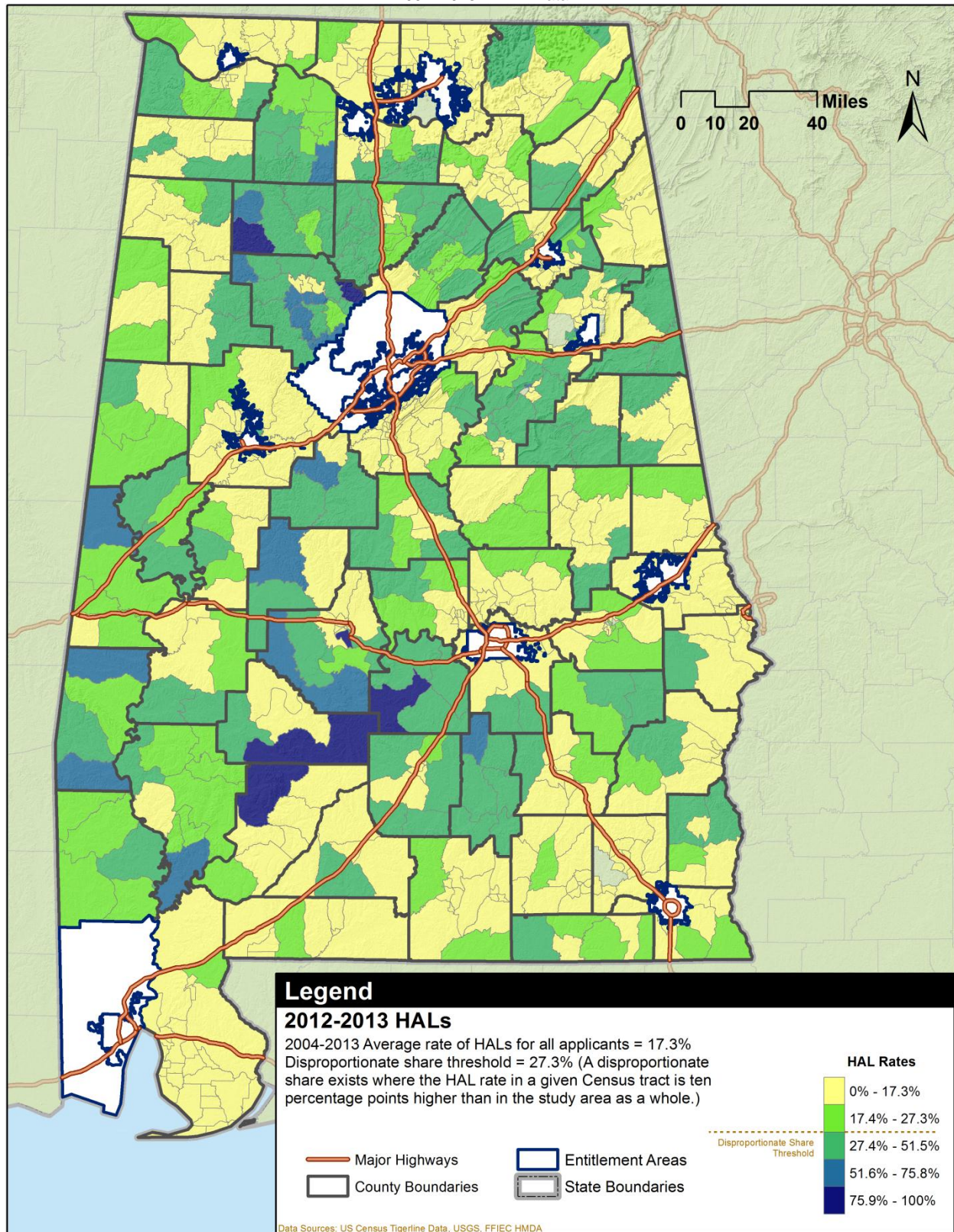
In 2012-2013, HALs continued to be less concentrated in areas in and around the entitlement jurisdictions, as shown in Map V.6 on page 81. Census tracts with relatively high HAL rates were located throughout the state, though tracts with the highest HAL rates were largely concentrated in Census tracts in the west of the state. There was also a large cluster of Census tracts with disproportionately high HAL rates to the northwest of Birmingham.

⁶⁰ Loans were considered to have high annual percentage rates if the annual percentage rates on those loans were three percentage points higher than those of comparable treasury instruments.

Map V.5
Rate of HALs by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2012 HMDA Data



Map V.6
Rate of HALs by Census Tract, 2012
 Non-Entitlement Areas of Alabama
 2004–2013 HMDA Data



As had been the case with home purchase loan denials, the rate which HALs were issued to borrowers in the state varied considerably with the race and ethnicity of the borrower, as shown in Table V.10 below. Over 25.2 percent of loans issued to black borrowers from 2004 through 2013 were HALs, nearly ten percentage points over the rate at which HALs were issued to white borrowers, which was 16.3 percent. Similarly, 25.5 percent of loans issued to Hispanic borrowers were HALs, compared to a HAL rate of 16.8 percent for non-Hispanic borrowers. The relative distribution of HALs by racial and ethnic group is presented in Diagram V.4 below.

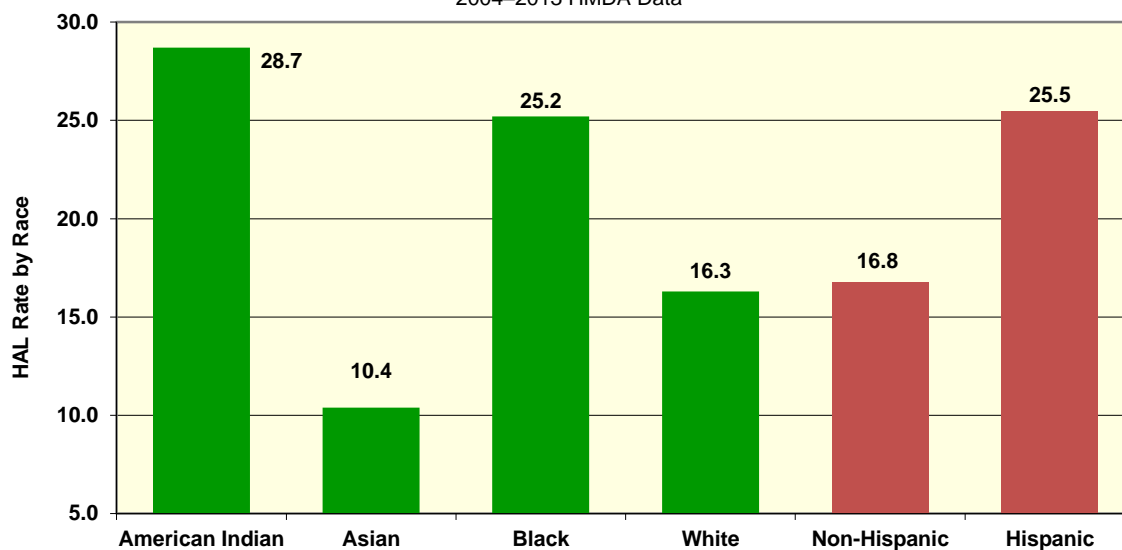
Table V.10
Rate of HALs Originated by Race/Ethnicity of Borrower

Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

Race	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
American Indian	26.7%	36.0%	31.4%	35.4%	28.4%	36.7%	23.9%	18.6%	27.2%	19.0%	28.7%
Asian	12.1%	21.3%	18.0%	11.4%	5.9%	6.3%	1.4%	1.8%	3.0%	3.9%	10.4%
Black	32.6%	45.3%	38.3%	25.7%	15.5%	11.9%	8.8%	11.8%	14.7%	12.2%	25.2%
White	17.3%	23.7%	22.5%	18.0%	16.0%	13.2%	8.8%	9.7%	9.8%	8.3%	16.3%
Not Available	22.3%	26.2%	31.5%	17.3%	8.4%	5.3%	3.0%	7.5%	7.9%	9.8%	17.5%
Not Applicable	11.1%	28.6%	30.0%	25.0%	9.1%	.0%	.0%	.0%	50.0%	.0%	14.4%
Average	19.0%	26.1%	24.6%	18.7%	15.5%	12.7%	8.5%	9.8%	10.2%	8.7%	17.3%
Non-Hispanic	19.4%	25.5%	23.6%	18.5%	15.7%	13.0%	8.5%	9.2%	9.1%	7.8%	16.8%
Hispanic	30.1%	37.6%	39.3%	27.8%	19.2%	18.4%	13.0%	10.5%	12.9%	7.3%	25.5%

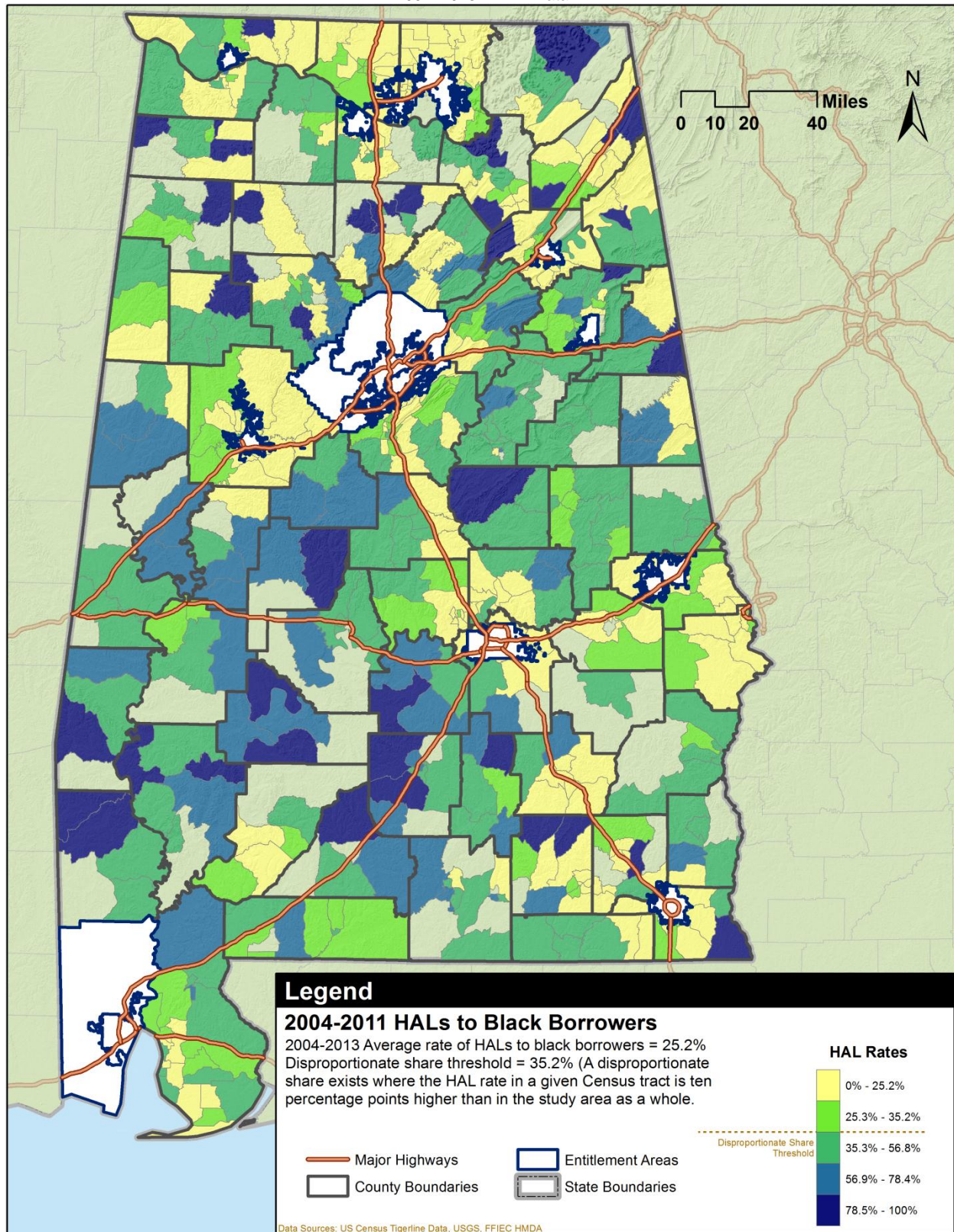
Diagram V.4
Rate of HALs Originated by Race/Ethnicity of Borrower

Non-Entitlement Areas of Alabama
2004–2013 HMDA Data

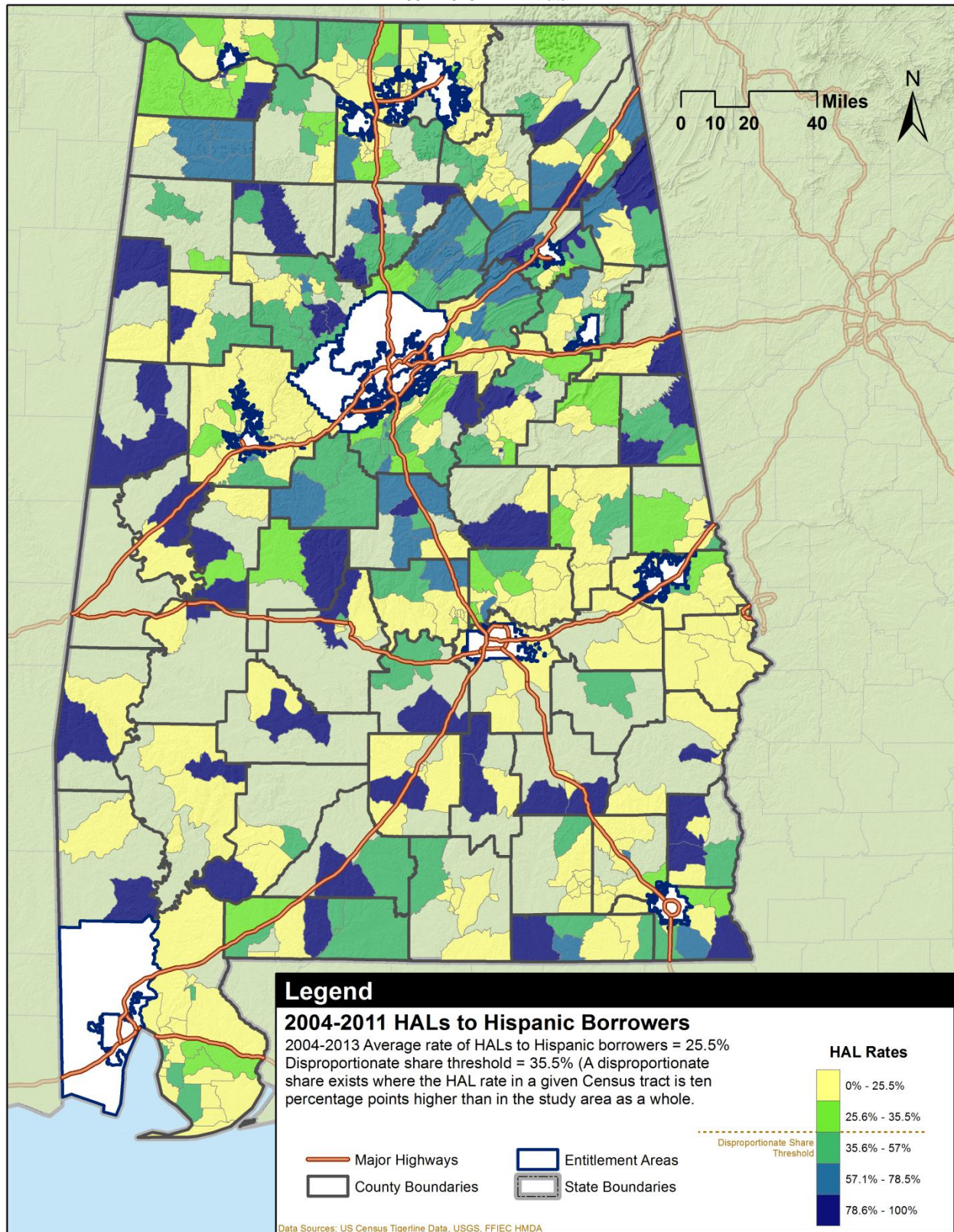


As had been the case when the analysis of loan denials was confined to black loan applicants, black borrowers were issued HALs at disproportionately high rates throughout the state from 2004 through 2011, as shown in Map V.7 on the following page. The HAL rate for black borrowers was considered disproportionately high in Census tracts where the HAL rate for black borrowers exceeded the overall average of 25.2 percent by ten percentage points. More than 56.8 percent of loans to black borrowers were HALs in most Census tracts in the southwestern part of the state and in many tracts to the northeast of Birmingham.

Map V.7
HALs to Black Applicants by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data



Map V.8
HALs to Hispanic Applicants by Census Tract, 2004-2011
 Non-Entitlement Areas of Alabama
 2004-2013 HMDA Data

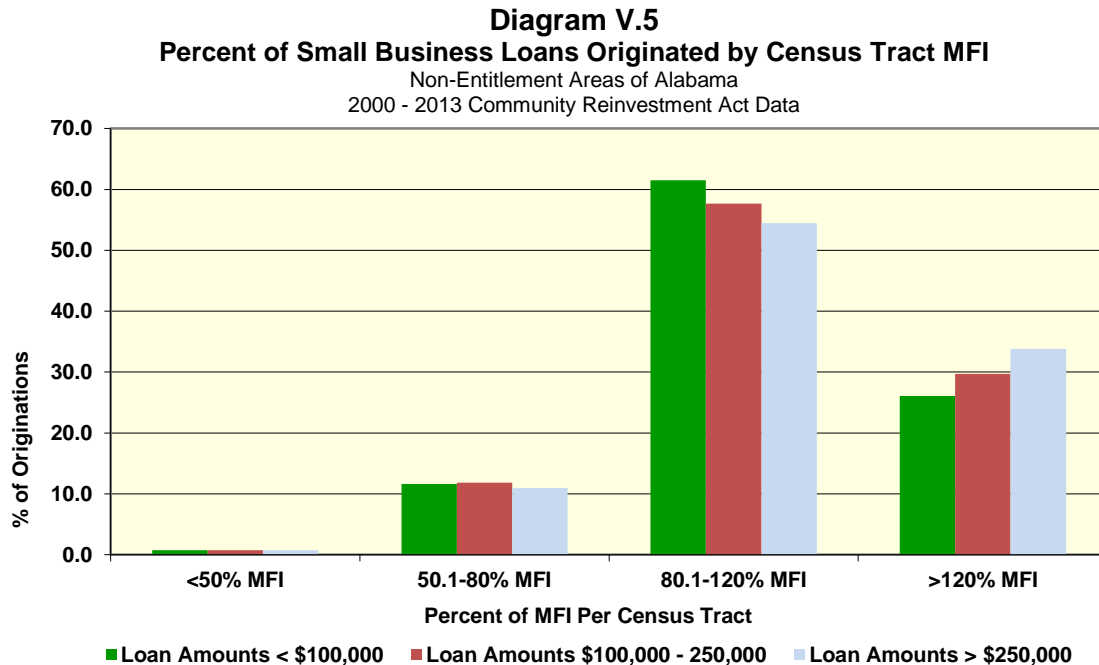


Hispanic borrowers were also subjected to disproportionate HAL rates in Census tracts throughout the state from 2004 through 2011, as shown in Map V.8 on the previous page. However, there was a large cluster of such Census tracts to the northeast of Birmingham. This was an area in which Hispanic residents were observed to be disproportionately concentrated in 2000 and 2010. Additional clusters of tracts with high HAL rates for Hispanic borrowers were observed in the extreme northern part of the state and to the south of Bessemer.

COMMUNITY REINVESTMENT ACT DATA

The economic vitality of neighborhoods can partly be measured through Community Reinvestment Act (CRA) data. According to these data, 670,902 small business loans were issued throughout all non-entitlement areas of the state from 2000 through 2013. The vast majority of these loans, or over 91 percent, were valued at \$100,000 or less. The total dollar value of these loans was \$27,468,899. Tables with complete CRA data are presented in Appendix A.

Small business loans were also analyzed to determine the location of funding in relation to median family income (MFI) levels. Diagram V.5 below presents the distribution of small business loans by value and by percent of MFI by Census tract. As shown, only a small portion of such loans were issued in Census tracts at the lowest income level, and less than 12 percent of these loans were issued in low-to-moderate income Census tracts. A majority of small business loans went to Census tracts in which the median family income ranged from 80.1 to 120 percent of the area median family income, though more than 25 percent were issued in tracts where the median family income was greater than 120 percent of the area MFI.



The statewide median for the number of small business loans issued in a Census tract over the entire period from 2000 through 2011 was 749. Map V.9 on page 85 presents the geographic distribution of these loans in the state's non-entitlement areas. As one might expect based on Diagram V.5 above, fewer loans went to Census tracts with relatively high rates of poverty,

many of which were clustered in rural areas in the south and southwest portions of the state. Small business loans tended to be more common in the northern half of the state, especially in Census tracts surrounding entitlement cities in that area.

Map V.10 on page 88 shows the distribution of loans throughout the state's non-entitlement areas in the two-year period from 2012 through 2013. The overall pattern in small business lending during that time was very similar to the pattern observed prior to 2012: small business loans were more numerous in northern Census tracts and relatively uncommon in Census tracts in the southwest, many of which included disproportionate shares of black residents and residents in poverty. The median number of loans issued in all non-entitlement Census tracts during that time was 66.

Maps V.11 on page 89 presents the dollar value of loans issued in Census tracts throughout Alabama's non-entitlement areas from 2000 through 2011. Unsurprisingly, the areas that received the most loans during those time periods also tended to receive the most in loan dollars. Census tracts that received greater than the median amount of loan dollars for the entire state from 2000 through 2011, or \$27,121, were largely concentrated in the north of the state and along the Gulf Coast. The same overall pattern was observed in the period from 2012 through 2013, as shown in Map V.12 on page 90.

FAIR HOUSING COMPLAINTS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

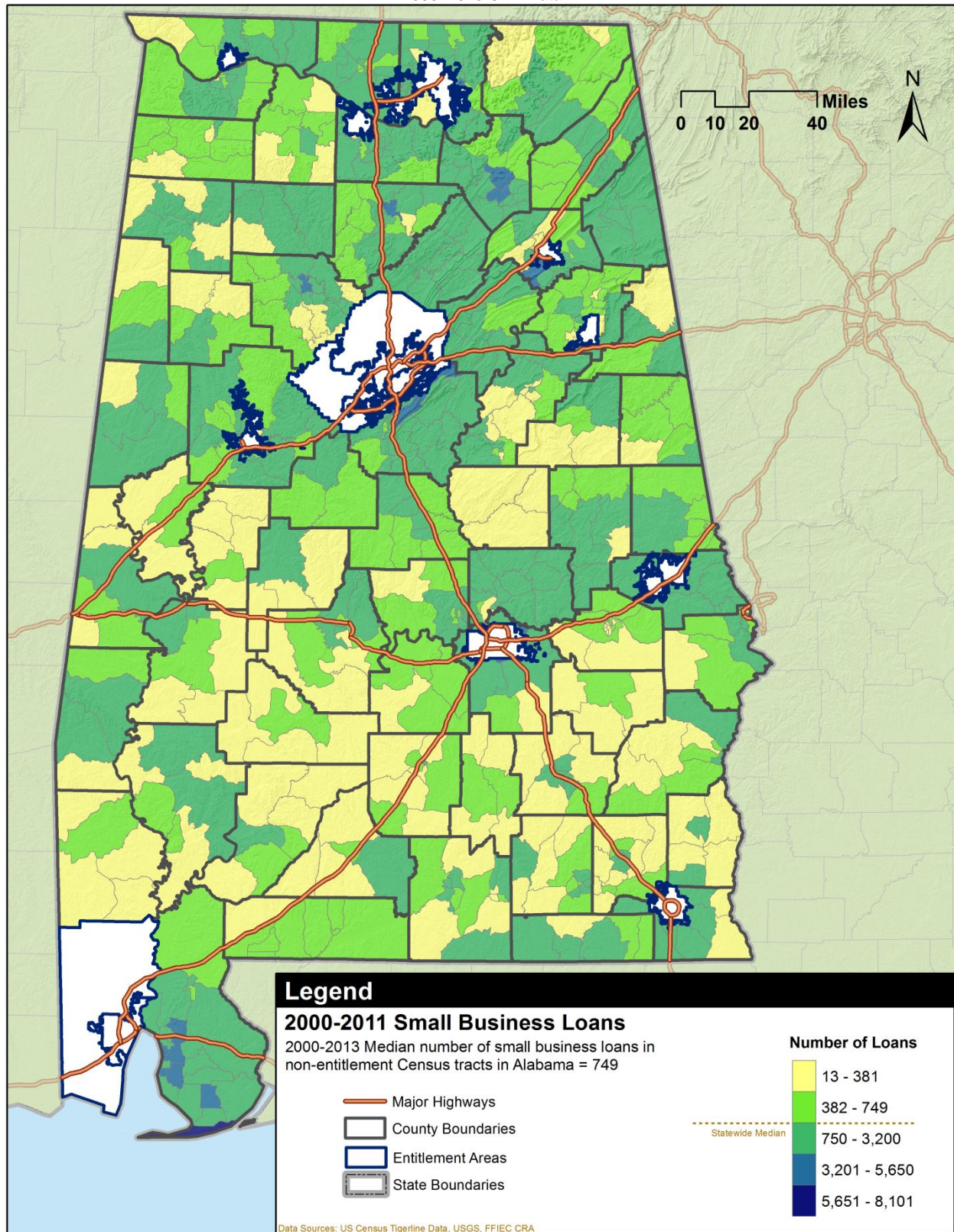
HUD maintains records of complaints that represent potential and actual violations of federal housing law, as described previously in the Complaint Process Review. For the purposes of this AI, HUD provided data on 363 fair housing complaints it had received from residents of Alabama's non-entitlement areas from January 2004 through early November 2014.

As shown in Table V.11 below, race was the perceived basis for discrimination in just over 50 percent of complaints lodged with HUD from 2004 through 2014. The next most common was disability, which was cited in over 45 percent of complaints. Note that complainants may cite more than one basis in complaints filed with HUD; indeed, 524 bases were cited in the 363 complaints HUD received.

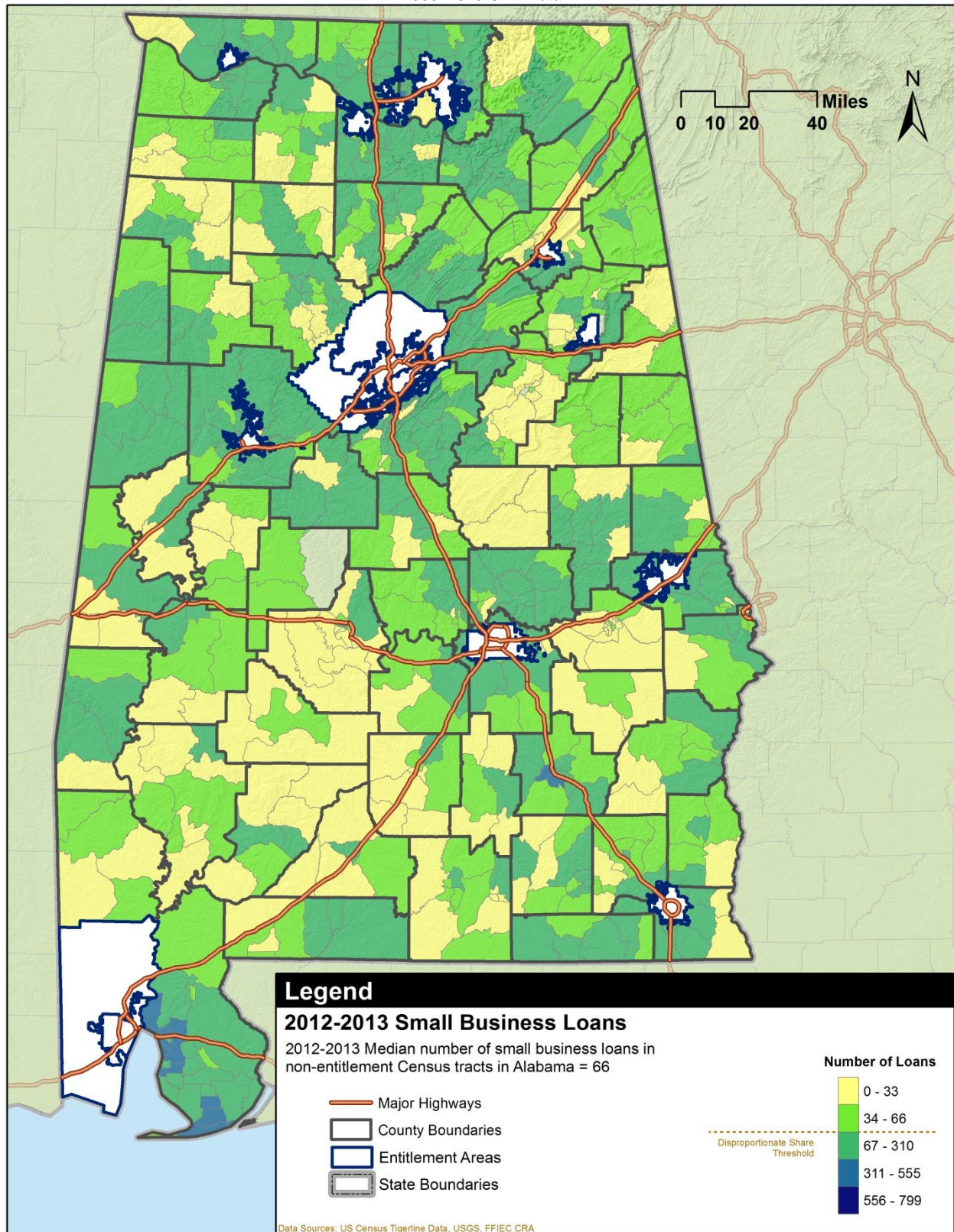
Table V.11
Fair Housing Complaints by Basis
Non-Entitlement Areas of Alabama
2004–2014 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Race	20	13	19	16	35	23	30	12	3	7	5	183
Disability	15	8	13	18	24	24	23	16	8	13	3	165
Family Status	9	4	4	5	10	13	5	1	2	5		58
Sex	5	3	5	6	9	6	14		2	4	3	57
Retaliation	3	1	3	1	2	3	1	5	2	8	1	30
National Origin		1				5	4	2	2	2	1	17
Religion	3	1					1	1	1	1		8
Color					1	2	1		1		1	6
Total Bases	55	31	44	46	81	76	79	37	21	40	14	524
Total Complaints	34	20	28	31	52	57	57	33	15	26	10	363

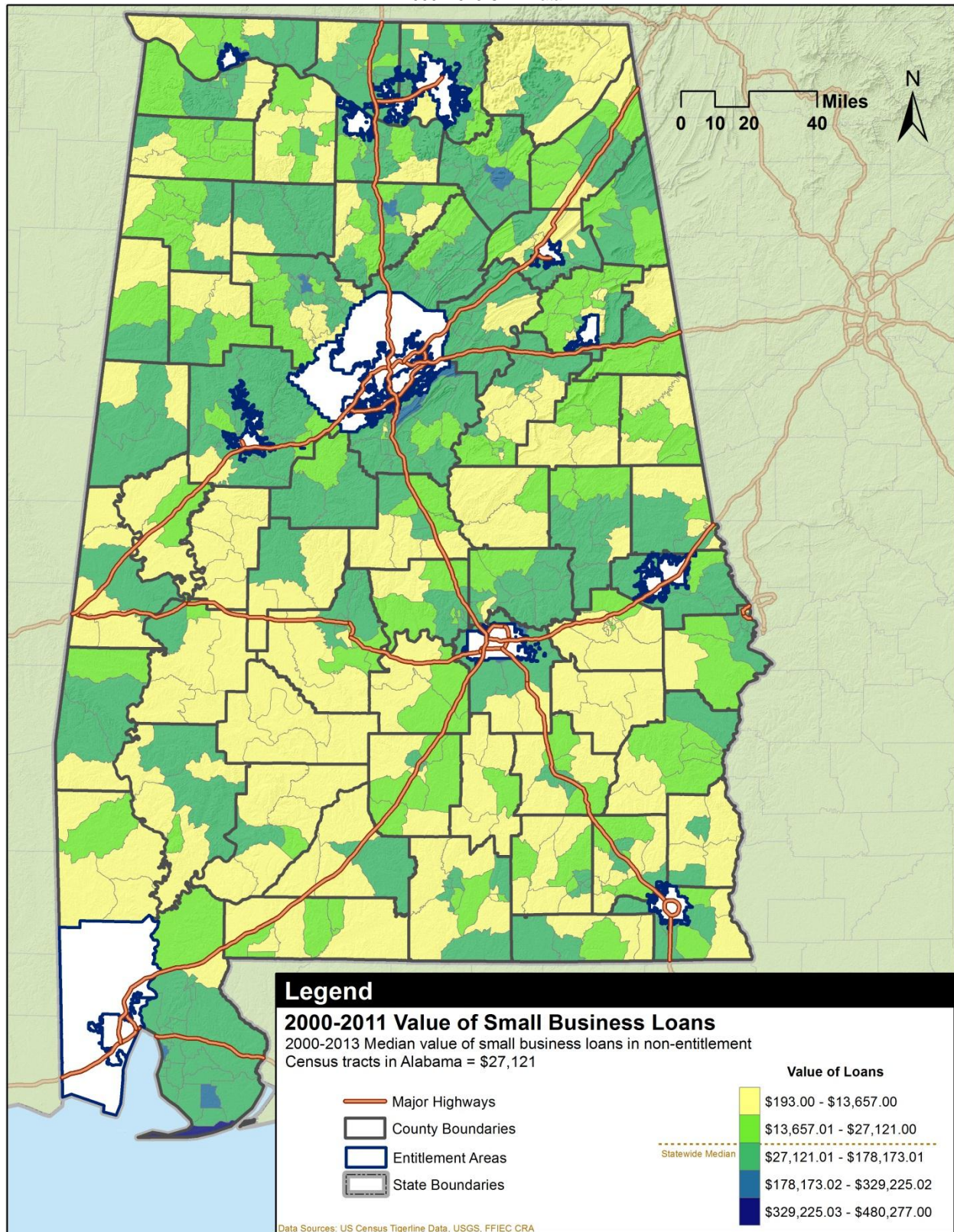
Map V.9
Number of Small Business Loans, 2000-2011
 Non-Entitlement Areas of Alabama
 2000-2013 CRA Data



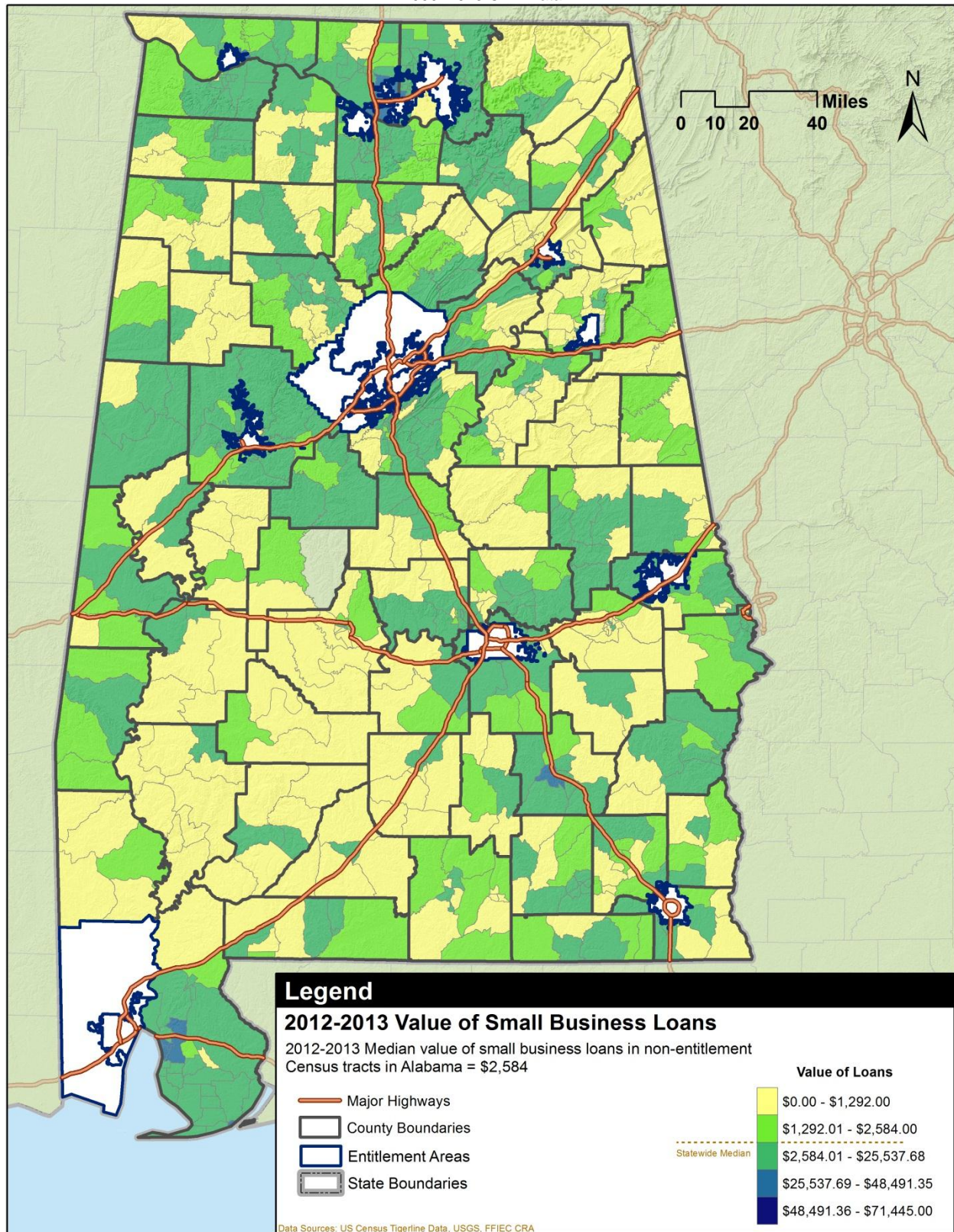
Map V.10
Number of Small Business Loans, 2012-2013
 Non-Entitlement Areas of Alabama
 2000-2013 CRA Data



Map V.11
Amount of Small Business Loan Dollars, 2000-2011
 Non-Entitlement Areas of Alabama
 2000-2013 CRA Data



Map V.12
Amount of Small Business Loan Dollars, 2012-2013
 Non-Entitlement Areas of Alabama
 2000–2013 CRA Data



In addition to the basis for discrimination, HUD records the issue, or alleged discriminatory action related to each complaint. These are presented in Table V.12 below. In the same way that bases are reported, more than one issue may be associated with each complaint. Discrimination in terms, conditions, or privileges relating to rental was by far the most common type of discriminatory behavior alleged, cited in 169 complaints. The next most common complaint related to discriminatory acts under Section 818 of the FHA, which concerns coercive or retaliatory measures taken against those who attempt to exercise their fair housing rights. Not surprisingly, given the number of complaints that alleged discrimination on the basis of disability, failure to make reasonable accommodation was a relatively common issue, cited in 79 complaints. A complete version of this table, with yearly complaint data, is included in Appendix C.

Table V.12
Fair Housing Complaints by Issue
Non-Entitlement Areas of Alabama
2004–2014 HUD Data

Issue	Total
Discrimination in term, conditions or privileges relating to rental	169
Discriminatory acts under Section 818 (coercion, etc.)	91
Failure to make reasonable accommodation	79
Discriminatory terms, conditions, privileges, or services and facilities	70
Discriminatory refusal to rent	52
Discriminatory advertising, statements and notices	31
Otherwise deny or make housing available	29
False denial or representation of availability - rental	22
Discriminatory financing (includes real estate transactions)	14
Discrimination in services and facilities relating to rental	11
Failure to permit reasonable modification	11
Discriminatory refusal to rent and negotiate for rental	7
Discrimination in terms, conditions, privileges relating to sale	7
Steering	7
Discriminatory refusal to sell	6
Discrimination in the terms or conditions for making loans	6
Discrimination in making of loans	5
Discriminatory advertisement - rental	4
Refusing to provide municipal services or property	3
Failure to provide accessible and usable public and common user areas	3
False denial or representation of availability - sale	2
Other discriminatory acts	2
Using ordinances to discriminate in zoning and land use	2
Discriminatory refusal to negotiate for sale	1
Discriminatory refusal to negotiate for rental	1
Discriminatory advertising - sale	1
False denial or representation of availability	1
Discrimination in the appraising of residential real property	1
Discriminatory brokerage service	1
Restriction of choices relative to a sale	1
Non-compliance with design and construction requirements (handicap)	1
Failure to provide an accessible building entrance	1
Total Issues	642
Total Complaints	363

Around 30 percent of complaints lodged with the HUD were determined to have no cause, meaning that the HUD investigation did not produce sufficient evidence that discrimination had occurred or was about to occur to file a lawsuit against the accused party. Approximately 21 percent of these complaints, or 77, were withdrawn after resolution of the complaints and

67 were conciliated or settled, as shown in Table V.13 below. A complete version of this table, with yearly complaint data, is included in Appendix C.

Table V.13
Fair Housing Complaints by
Closure Status

Non-Entitlement Areas of Alabama
2004–2014 HUD Data

Closure Status	Total
No Cause	110
Withdrawal After Resolution	77
Conciliated / Settled	67
Withdrawal Without Resolution	37
Complainant Failed to Cooperate	33
Lack of Jurisdiction	18
Open	9
Unable to Locate Respondent	5
Election Made to Go to Court	4
FHAP Judicial Consent Order	1
DOJ Dismissal	1
Unable to Identify Respondent	1
Total Complaints	363

Table V.14 below presents the bases cited for the complaints considered to have cause: for the purposes of this study, such complaint includes those that were withdrawn after resolution, conciliated, or settled. Race and disability were again the most common complaint bases cited in these complaints; however, disability was the most common basis in those considered to have cause, cited in 78 complaints, followed by race, cited in 54 complaints.

Table V.14
Fair Housing Complaints Found With Cause by Basis

Non-Entitlement Areas of Alabama
2004–2014 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Disability	7	1	6	7	13	12	10	12	6	2	2	78
Race	7	6	8	4	9	2	11	6		1		54
Family Status	5	2		1	2	8	2			4		24
Sex	3	3	1	2	4	1	5		1	1		21
Retaliation	1	1			1	1		5	1	1	1	12
National Origin						1	2	2	2			7
Color						1						1
Total Bases	23	13	15	14	29	26	30	25	10	9	3	197
Total Complaints	15	6	10	11	18	20	21	23	9	7	2	142

Discrimination in terms, conditions, or privileges relating to rental was again the most common discriminatory action cited in complaints that were considered to have cause, as shown in Table V.15 on the following page. This issue was cited in 60 of the 142 complaints considered to have cause, or around 42 percent. Failure to make reasonable accommodation was the second most frequent, alleged in 43 complaints.

Table V.15
Fair Housing Complaints Found
With Cause by Issue
 Non-Entitlement Areas of Alabama
 2004–2014 HUD Data

Issue	Total
Discrimination in term, conditions or privileges relating to rental	60
Failure to make reasonable accommodation	43
Discriminatory acts under Section 818 (coercion, etc.)	29
Discriminatory terms, conditions, privileges, or services and facilities	25
Discriminatory refusal to rent	14
False denial or representation of availability – rental	9
Discriminatory advertising, statements and notices	7
Discriminatory financing (includes real estate transactions)	7
Otherwise deny or make housing available	5
Discriminatory refusal to rent and negotiate for rental	3
Discrimination in making of loans	3
Discrimination in terms, conditions, privileges relating to sale	3
Failure to permit reasonable modification	3
Discriminatory advertisement – rental	2
Discrimination in the terms or conditions for making loans	2
Discrimination in services and facilities relating to rental	2
Discriminatory refusal to sell	1
Steering	1
Refusing to provide municipal services or property	1
Using ordinances to discriminate in zoning and land use	1
Failure to provide an accessible building entrance	1
Failure to provide accessible and usable public and common user areas	1
Total Issues	223
Total Complaints	142

FAIR HOUSING SURVEY – PRIVATE SECTOR RESULTS

The purpose of the 2014 Impediments to Fair Housing Choice Survey was to gather insight into the knowledge, experiences, opinions, and feelings of citizens and stakeholders throughout the State of Alabama regarding fair housing.

The 2014 State of Alabama Fair Housing Choice Survey was completed by 332 persons in the state and was conducted both on paper and electronically/online. In a typical survey question, respondents were presented with an example of a discriminatory policy or practice and asked to rate the severity of that discriminatory practice in their community.

FAIR HOUSING IN THE PRIVATE SECTOR

In order to address perceptions of fair housing in the State of Alabama’s private housing sector, survey respondents were asked to identify their awareness of possible housing discrimination issues in a number of areas within the private housing sector. The responses to these questions are outlined in Table V.16 on the following page. In the first series of questions, survey respondents were asked to rate the severity of discrimination against particular groups as it exists in their local housing market. In almost every case, a majority of respondents responded that the discriminatory behavior described was not an impediment. The sole exception concerned language barriers for persons with limited English proficiency: 57.1 percent of respondents identified this as a slight, moderate, or severe impediment. More than thirty percent of respondents perceived at least a slight impediment in discrimination toward

Alabama residents on each of the following bases: race, national origin, familial status, disability, and Housing Choice Voucher participants. By contrast, discrimination due to religion and gender were not widely perceived to represent an impediment to fair housing choice.

When asked to rate the severity of impediments to fair housing choice in various private sector policies and practices, 59 percent of respondents considered limited employment opportunities to be a slight, moderate, or severe impediment; while 44 percent of respondents identified limited housing choice opportunities for persons of low income as an impediment.

Table V.16
Barriers to Fair Housing in the Private Sector

State of Alabama
2014 Impediments to Fair Housing Choice Survey

Please evaluate impediments to fair housing for persons seeking housing in the locality:				
Question	Not an Impediment	Slight Impediment	Moderate Impediment	Severe Impediment
Discrimination by Group				
Housing discrimination against households due to racial or ethnic background:	216	52	45	19
Housing discrimination against households due to national origin:	226	55	33	13
Language barriers for persons with limited English proficiency:	141	101	65	22
Housing discrimination against households due to religion:	268	37	17	5
Housing discrimination against households due to gender:	265	42	14	6
Housing discrimination against households due to familial status ⁶¹ :	227	50	37	12
Housing discrimination against families with children:	239	52	26	8
Housing discrimination against persons with disability:	208	57	37	17
Housing discrimination against elderly persons:	242	44	26	10
Housing discrimination against Section 8/Housing Choice Voucher Program Participants:	199	61	40	26
Limited Resources as Impediments				
Lack of knowledge or understanding regarding fair housing:	156	74	54	45
Insufficient information and marketing about housing availability:	156	73	62	37
Limited access to technology (e.g., cellular telephone, internet, etc.):	150	83	70	29
Limited employment opportunities:	67	66	110	82
Limited housing choice opportunities for persons of Low Income:	110	71	62	85

⁶¹ Note: the original survey prepared by ADECA cited "sexual orientation" as an example of discrimination on the basis of familial status. In the federal Fair Housing Act, familial status is related to the presence and number of children in a family, or to whether or not a woman seeking housing is pregnant.

SUMMARY

The analysis of private sector conditions impacting housing choice in the State of Alabama included consideration of trends in home and small business lending, fair housing complaints from state residents, and results of the 2014 Impediments to Fair Housing Choice Survey. Lending data gathered under the HMDA; which must by law include information on applicants' race, ethnicity, gender, and income, along with the location of the prospective property; provide for an examination of whether and to what degree the impacts of loan denials and predatory style lending differ among protected class populations.

Residents of the state's non-entitlement areas applied for over 716,000 home purchase loans between 2004 and 2013. A majority of these loan applications were intended to finance the purchase of units in which the owner planned to live. Just over a quarter of these owner-occupied home purchase loans were denied during this time period, with denial rates increasing considerably in the four years after 2009. Denial rates tended to be higher in rural areas in the south and southwest of the state, which held relatively high concentrations of black residents; the denial rate for black borrowers was considerably higher than the overall denial rate. Likewise, Hispanic borrowers were denied loans at a higher rate than non-Hispanic borrowers, and female borrowers were more likely to be denied a loan than male borrowers. Black borrowers tended to be denied loans more frequently in the north of the state, while Hispanic borrowers were subject to relatively high denial rates throughout the state. More than thirty percent of denied loans cited credit history as a factor in the denial, and over ten percent cited the debt-to-income ratio of the applicant. Applicants' incomes made a difference in the probability of their being denied a home loan; however, discrepancies in denial rates between races persisted even when income was taken into account.

Those applicants who were able to secure a home loan were occasionally issued a loan with a high annual percentage rate. These loans, referred to as HALs, accounted for 17.3 percent of home loans issued in the state from 2004 through 2013. These HALs tended to be more common among black borrowers, and in parts of the state with relatively high concentrations of black residents. Hispanic borrowers also received HALs more frequently than non-Hispanic borrowers, 25.5 and 16.8 percent of loans issued to these groups were HALs, respectively.

Small business loans were more commonly issued in Census tracts with moderate to high income levels than in tracts with low to moderate incomes. Geographically, these loans tended to be concentrated in the northern half of the state, as well as along the Gulf Coast. Inland Census tracts in the southern part of the state tended to receive less in the way of small business loans.

The analysis of 363 fair housing complaints lodged with HUD from January 2004 through November 2014 reveals that the most common bases for these complaints were race, cited in 183 complaints, and disability, cited in 165. The most common discriminatory actions alleged in these complaints involved discrimination in rental housing; failure to make reasonable accommodation was also a relatively common allegation. When the analysis was narrowed to examine only those complaints that were considered to have cause, disability became the most common basis for discrimination, followed by race, though discrimination in the rental housing market still dominated the discriminatory issues referenced in these complaints.

Results of the 2014 Impediments to Fair Housing Choice Survey indicate that survey participants tended more strongly to identify impediments to fair housing choice in language barriers to persons with limited English proficiency, and more than thirty percent of respondents considered housing discrimination against residents on the basis of race, national origin, familial status, and disability to represent an impediment, along with discrimination against those who participate in the Housing Choice Voucher program. In addition, 59 percent of respondents perceived the existence of impediments to fair housing choice in limited employment opportunities, and 44 percent considered limited housing choice opportunities for persons of low income to represent an impediment.

SECTION VI. FAIR HOUSING IN THE PUBLIC SECTOR

While the previous section presented a review of the status of fair housing in the private sector, this section will focus specifically on fair housing in the public sector. The U.S. Department of Housing and Urban Development (HUD) recommends that the AI investigate a number of housing factors within the public sector, including health and safety codes, construction standards, zoning and land use policies, tax policies, and development standards. The AI should also examine the placement of public and publicly assisted housing as well as its access to government services.

PUBLIC SERVICES

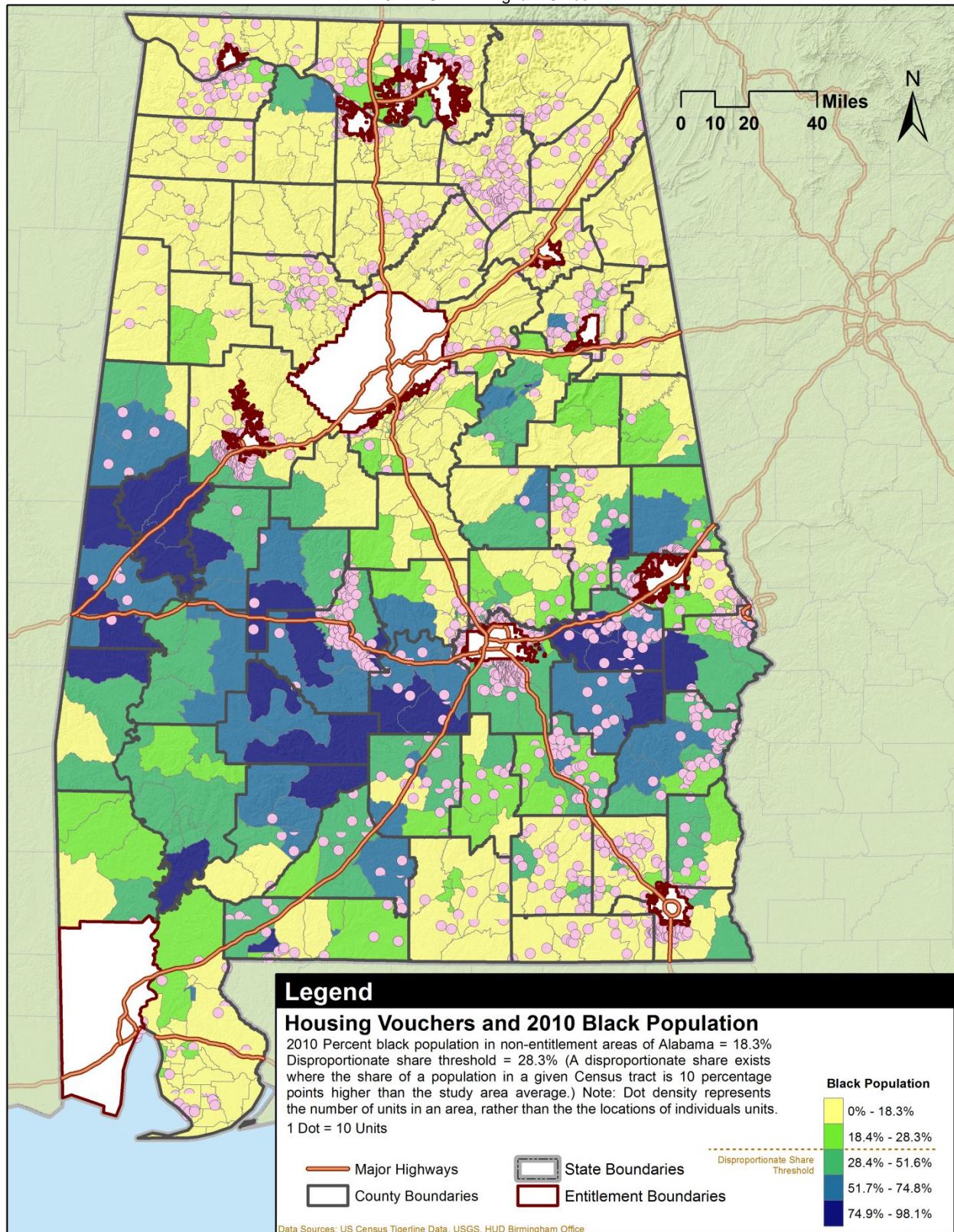
PUBLIC-ASSISTED MULTIFAMILY HOUSING UNITS

Public or assisted housing can exist in several forms, including low-income housing projects, housing voucher programs, and supportive housing. The objective of public and other forms of assisted housing is to provide housing that is suitable for persons with special needs or families of low- to moderate-income levels and to promote access to jobs, transportation, and related community resources. Uneven distribution of public and assisted housing can be the result of an impediment such as land use policies that discourage multi-family or low-income housing in some areas, thus leading to segregation or the overconcentration of low-income and other populations.

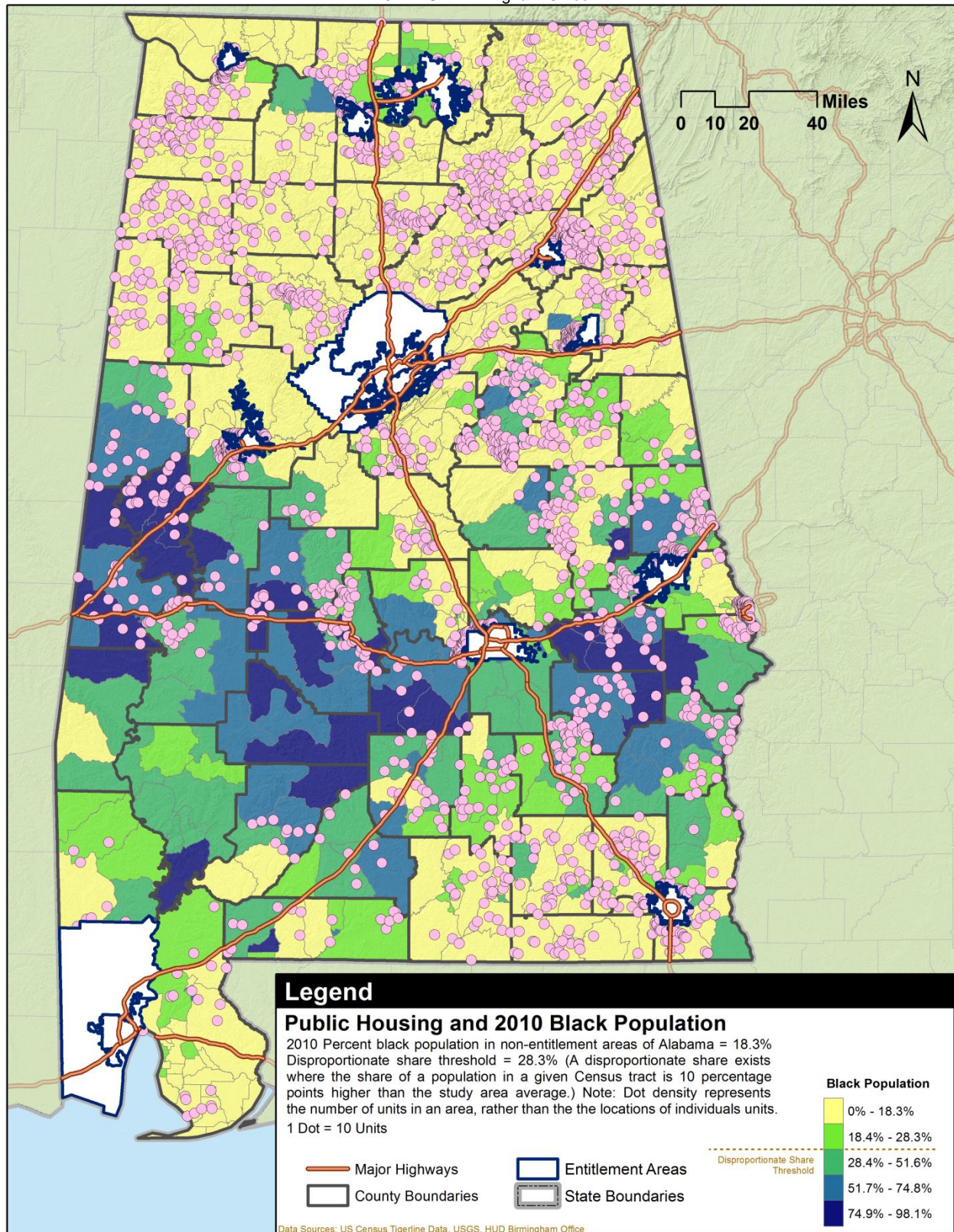
Housing Choice Vouchers are federally funded housing subsidies. These vouchers are portable, meaning that recipients can choose where to live as long as the landlord accepts the vouchers and the unit meets a certain set of HUD-defined criteria, including maximum income limits and the “reasonableness” of the monthly rent charges as compared to units on the private market. The program covers monthly rental costs minus the tenant’s contribution, which is not to exceed thirty percent of his or her monthly adjusted income, or ten percent of monthly unadjusted gross income. As shown in Map VI.1 on the following page, units financed by housing choice vouchers were widely scattered throughout the state, though they tended to be concentrated in and around urban areas. They were notably absent from much of the inland rural area in the southwest of the state, and were relatively uncommon in Census tracts in non-entitlement areas in the south of the state.

Units subsidized through HUD’s Public Housing program are managed by 150 housing agencies throughout the State of Alabama. The approximate locations of the public housing units in the state’s non-entitlement areas are presented in Map VI.2 on page 99. This map shows the dot density of housing units in a given zip code, rather than the location of individual housing units. As shown, public housing units were widely distributed throughout the state, though they tended to be concentrated near urban areas. However, these units were notably absent from the inland rural areas in the southwest of the state. In addition, there were relatively few public housing units in non-entitlement areas in the south of the state.

Map VI.1
Housing Choice Vouchers
 Non-Entitlement Areas of Alabama
 2014 HUD Birmingham Office



Map VI.2
HUD Public Housing Units
 Non-Entitlement Areas of Alabama
 2014 HUD Birmingham Office



HOMEBUYER ASSISTANCE

The Alabama Housing Finance Authority (AHFA) administers a range of programs intended to assist Alabama residents in financing the purchase of a home. These programs, which may provide for down payment assistance, reduced mortgage payments, help with closing costs, or low interest rates for home mortgage lending, are generally targeted toward low- to moderate-income residents. As shown in Table VI.1 below, approximately \$145,300,000 in homebuyer assistance was distributed to Alabama residents from 2004 through 2012 through these programs, which include the American Dream Downpayment Initiative (ADDI), Downpayment Assistance (DPA), First Step, Habitat for Humanity (HFH), Mortgage Credit Certificates (MCC), the Rural Alabama Mortgage Program (RAMP), Rehabilitation Assistance Partnership (RAP), and Step Up. Together, these programs assisted in the purchase of nearly 3,000 housing units throughout the State's non-entitlement areas.

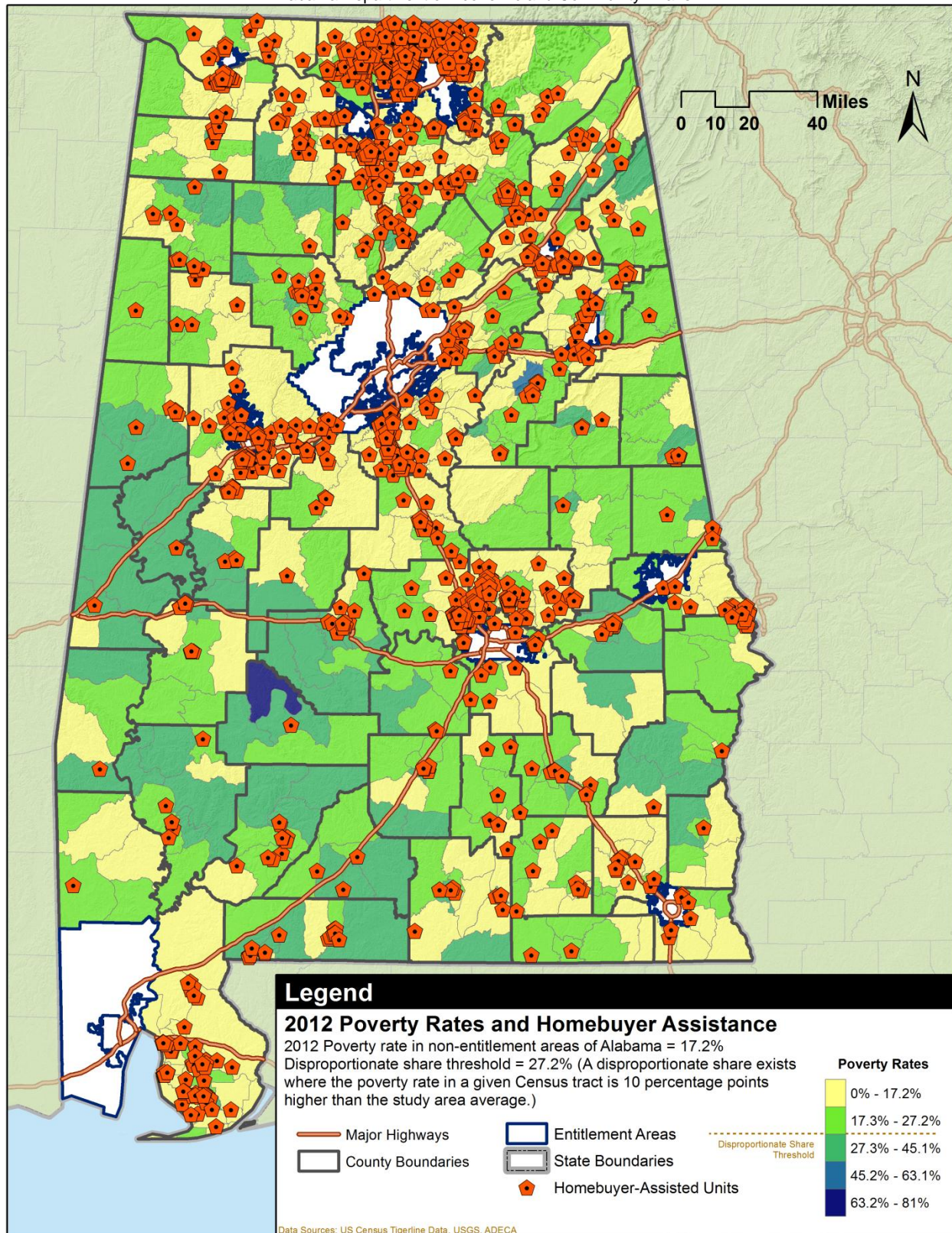
Table VI.1
Homebuyer Assistance (in 1000's of Dollars)
 Non-Entitlement Areas of Alabama
 Alabama Department of Economic and Community Affairs

Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
ADDI	\$140 (14)	\$1,140 (114)	\$0 (0)	\$270 (27)	\$180 (18)	\$20 (2)	\$0 (0)	\$0 (0)	\$0 (0)	\$1,750 (175)
DPA	\$113 (38)	\$61 (23)	\$506 (117)	\$1,149 (266)	\$767 (201)	\$635 (207)	\$320 (112)	\$184 (64)	\$197 (66)	\$3,932 (1,094)
First Step	\$0 (0)	\$0 (0)	\$13,047 (139)	\$34,839 (345)	\$11,913 (122)	\$1,067 (12)	\$0 (0)	\$0 (0)	\$0 (0)	\$60,865 (618)
HFH	\$460 (11)	\$340 (8)	\$346 (7)	\$313 (6)	\$443 (9)	\$583 (9)	\$191 (3)	\$487 (9)	\$478 (8)	\$3,641 (70)
MCC	\$237 (2)	\$632 (6)	\$678 (7)	\$471 (5)	\$897 (8)	\$3,050 (26)	\$1,961 (17)	\$983 (8)	\$200 (2)	\$9,108 (81)
RAMP	\$1,037 (34)	\$689 (21)	\$612 (16)	\$29 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$2,368 (71)
RAP	\$208 (22)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$0 (0)	\$208 (22)
Step Up	\$1,884 (23)	\$1,013 (14)	\$3,972 (95)	\$3,083 (34)	\$10,161 (112)	\$19,687 (196)	\$10,644 (113)	\$6,253 (67)	\$6,724 (69)	\$63,420 (723)
Total	\$4,079 (144)	\$3,875 (186)	\$19,161 (381)	\$40,154 (683)	\$24,361 (470)	\$25,043 (452)	\$13,114 (245)	\$7,908 (148)	\$7,598 (145)	\$145,293 (2,854)

*Number of housing units in parentheses

The geographic distribution of these units throughout the state's non-entitlement areas is displayed in Map VI.3 on the following page. As shown, homes purchased with the help of one or more of the homebuyer assistance programs discussed above appeared throughout Alabama's non-entitlement areas, though they were more common in urban areas in the northern half of the state.

Map VI.3
Homebuyer Assistance
 Non-Entitlement Areas of Alabama
 Alabama Department of Economic and Community Affairs



FAIR HOUSING SURVEY – PUBLIC SECTOR RESULTS

As mentioned previously, further evaluation of the status of fair housing within the State of Alabama was conducted via paper and electronic/online versions of the 2014 Fair Housing Survey, which was completed by 332 stakeholders and citizens.

FAIR HOUSING IN THE PUBLIC SECTOR

Public sector effects on housing can be complex and varied. The questions in this section of the survey asked respondents to think about possible barriers to fair housing choice within specific areas of the public sector. Tallies for each survey question are presented in Table VI.2 below. As had been the case in portions of the survey pertaining to private sector impediments, a majority of respondents did not consider many of the policies, practices, or factors mentioned to represent an impediment to fair housing choice. However, there were some notable exceptions. For example, more than 52 percent of respondents maintained that NIMBYism represented an impediment to fair housing choice, more than 70 percent of respondents felt that limited or no access to public transportation represented an impediment to fair housing choice, and around 63 percent of respondents identified limited local availability of public and social services to be an impediment.

Table VI.2
Barriers to Fair Housing in the Public Sector

State of Alabama
2014 Impediments to Fair Housing Choice

Local Impediments: Please evaluate local impediments to fair housing in the locality:				
Question	Not an Impediment	Slight Impediment	Moderate Impediment	Severe Impediment
The lack of comprehensive fair housing planning:	164	75	53	35
Identifying discrimination is predominantly reactive rather than proactive:	182	65	52	27
Insufficient monitoring and oversight of fair housing activities:	185	69	45	28
Inadequate enforcement of fair housing laws:	204	57	46	23
Inadequate representation of diverse interests (e.g., racial, ethnic, religions, and disabled) on housing advisory boards, commissions, and committees:	202	49	40	33
NIMBYism (Not In My Backyard)/Neighborhood opposition to affordable housing:	157	61	62	48
Local land use controls and zoning prohibit multi-family housing, group homes, etc.	182	69	52	25
Development standards, building codes, or permits discourage affordable housing:	197	52	56	20
Environmental contamination or health hazards (e.g., lead-based paint or mold) limit the availability of land or the rehabilitation of housing units.	209	53	45	19
Limited or no access to public transportation:	96	80	82	69
Limited local availability of public and social services (e.g., health and day care):	118	80	88	40

SUMMARY

The review of fair housing choice in the public sector included an evaluation of the availability of public-assisted housing units throughout the state and the results of the 2014 Impediments to Fair Housing Choice Survey. Subsidized units profiled in the study included those funded in part through the Housing Choice Voucher and Public Housing programs. Units funded through

the Housing Choice Voucher Program were scattered throughout the state, but tended to be concentrated in and around urban areas. Such units were largely absent from inland, rural Census tracts in the southwest of the state. Units funded through the Public Housing Program were more numerous than those financed through the HCV program, but they followed the same overall geographic distribution, as did units purchased through a range of homebuyer assistance programs available to Alabama residents. Few of the public sector policies, practices, or factors identified in the survey were perceived to represent an impediment to fair housing choice by a majority of respondents. Exceptions included perceived social hurdles facing developers and residents of affordable housing, i.e., NIMBYism; limited access to public transportation; and limited local availability of public and social services.

SECTION VII. PUBLIC INVOLVEMENT

This section discusses analysis of fair housing in the State of Alabama as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence of statewide impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

FAIR HOUSING SURVEY

As discussed in previous sections, a 2014 Fair Housing Survey comprised a portion of the public involvement efforts associated with the development of the 2015 AI. While data from the survey regarding policies and practices within the private and public sectors have already been discussed, questions included to gauge and characterize public participation in the survey are discussed below. The purpose of the 2014 Fair Housing Survey, a relatively qualitative component of the AI, was to gather insight into knowledge, experiences, opinions, and feelings of these entities regarding fair housing as well as to gauge the ability of informed and interested parties to understand and affirmatively further fair housing.

A total of 332 persons in the State of Alabama completed the survey, which was conducted both on paper and electronically/online. The survey was distributed to a wide range of stakeholders and policy-makers throughout the state were invited to participate. (For a comprehensive summary of the agencies, organizations, and individuals invited to participate, see Appendix D).

Respondents to the 2014 Fair Housing Survey were asked to identify their primary role within the housing industry. Elected officials at the city level made up the largest group, accounting for more than a quarter of respondents, while 67 respondents were representatives of nonprofit organizations, 38 were members of entitlement city or non-entitlement local government staff, and 35 were bankers, 21 were county officials, 20 were real estate professionals, as shown in Table VII.1 at right.

Respondents were also asked about their familiarity with fair housing complaints. Results of this question are presented on the following page in Table VII.2. As shown, only 9 respondents stated that they had been made aware of fair housing complaints in their community in the last five years, less than seven percent of those who responded to the question.

Table VII.1
Respondent Categories
State of Alabama
2014 Impediments to Fair Housing
Choice Survey

Category	Responses
Elected Officials - City Level	87
Nonprofit Organizations	67
Entitlement City Staff/Non-entitlement Local Government Staff	38
Bankers	35
Elected Officials - County	21
Real Estate Professionals	20
Public Housing Agencies	16
Community Residents	16
Consultants	10
Regional Planning Commissions	8
State Agencies	5
County Staff	5
Continuum of Care/Medical	1
Missing	3
Total	332

In both the public and private sector portions of the survey, respondents were asked to identify the source of information by which they identified or ruled out impediments to fair housing choice. In the private sector portion of the survey, 119 respondents identified knowledgeable local officials as their source of information regarding impediments to fair housing choice, as shown in Table VII.3 below. Community organizations were the next most common source of information, cited by 40 respondents, followed by fair housing complaints and Census data, cited in 35 and 32 complaints, respectively. The rest of the respondents were made aware of impediments to fair housing choice through local studies, cited by 14 respondents, or “other” sources.

Table VII.2
Awareness of Fair Housing Complaints

State of Alabama
2014 Impediments to Fair Housing Choice Survey

Have you been made aware of any fair housing complaints in your community in the last 5 years?

Yes	9
No	120

Table VII.3
Sources of Information, Part 2
State of Alabama

2014 Impediments to Fair Housing Choice Survey

In completing Part 1 above, what sources of information did you use?	
Source of information	Respondents
Fair housing complaints received	35
Knowledgeable local officials	119
Community Organizations	40
Census data	32
Local studies	14
Other	10

The sources of information cited in the public sector portion of the survey are presented in Table VII.4 below. As shown, knowledgeable local officials were again the most common source of information, cited in 120 complaints, followed by community organizations and fair housing complaints, cited in 39 and 31 complaints, respectively.

Table VII.4
Sources of Information, Part 2
State of Alabama

2014 Impediments to Fair Housing Choice Survey

In completing Part 2 above, what sources of information did you use?	
Source of information	Respondents
Fair housing complaints received	31
Knowledgeable local officials	120
Community Organizations	39
Census data	23
Local studies	19
Other	7

FAIR HOUSING FORUMS AND FOCUS GROUPS

FAIR HOUSING FORUM

Two fair housing forums were held at the Perdido Beach Resort Hotel in Orange Beach, Alabama, on November 13, 2014. The purpose of the presentations and subsequent discussions was to provide prospective CDBG grantees with an opportunity to learn more about the AI process and why it was conducted, to share preliminary findings from the study, and to gain their insight into issues pertaining to fair housing in the state. The recorded minutes of forum discussions are included in Appendix E.

FAIR HOUSING FOCUS GROUPS

Three focus group meetings were held on October 21, 2014 to present the preliminary results of the AI to stakeholders and professionals in the housing industry, as well as to provide an introduction to fair housing law and policy more generally. However, the primary purpose of these focus group discussions was to solicit input from stakeholders with detailed knowledge of various aspects of the housing industry, to better understand the kinds of challenges facing housing seekers in the State of Alabama. Focus group participants attended these meetings remotely via Go-to-Webinar. The three meetings focused on different aspects of the state's housing market: Homeownership, the Rental Housing Market, and Local Government Planning and Zoning.

Among the subjects discussed at these meetings were the barriers facing those who use or seek affordable housing, the relative prevalence of fair housing violations in the rental and real estate markets, and the challenges facing those who need supportive housing due to a disability. Participants in these meetings perceived violations of fair housing law and policy to be more common in the rental housing market than in the real estate market, and considered housing options to be very limited for those who are living with a disability. Complete transcripts from these meetings are included in Appendix E.

SUMMARY

Opportunities for public involvement in the 2015 AI process included the 2014 Impediments to Fair Housing Choice Survey, the Fair Housing Forum held in Alabama, and a series of focus group meetings. A majority of respondents to the survey were elected city officials, representatives of non-profit organizations, local government staff, or bankers. Most had not been made aware of any fair housing complaints in their community in the last five years, and less than fifteen percent of respondents cited fair housing complaints as the source of their knowledge concerning impediments to fair housing choice identified in the public and private sector portions of the survey. Knowledgeable local officials were the most common source of information regarding impediments to fair housing choice in the community, whether in the public or private sector, followed by community organizations. Focus group meetings provided an opportunity for stakeholders in the real estate and rental housing industries to offer their perspective on issues pertaining to fair housing, as did the discussion pertaining to local government planning and zoning.

SECTION VIII. SUMMARY OF FINDINGS

This AI reviews both the public and private sector contexts for housing markets in non-entitlement areas of the State of Alabama, in order to determine the effects these forces have on housing choice. As part of that review, analysis of demographic, economic, and housing data provide background context for the environments in which housing choices are made. Demographic data indicate the sizes of racial and ethnic populations and other protected classes; economic and employment data show additional factors in influencing housing choice; and counts of housing by type, tenure, quality, and cost indicate the ability of the housing stock to meet the needs of the State's residents.

Once this contextual background analysis has been performed, detailed review of fair housing laws, cases, studies, complaints, and public involvement are better supported by the background information. The structure provided by local, state, and federal fair housing laws shapes the complaint and advocacy processes available in the State, as do the services provided by local, state, and federal agencies. Private sector factors in the homeownership and rental markets, such as home mortgage lending practices, have substantive influence on fair housing choice. In the public sector, policies and codes of local governments and a limited location of affordable rental units can significantly affect the housing available in each area, as well as neighborhood and community development trends. Complaint data and AI public involvement feedback further help define problems and possible impediments to housing choice for persons of protected classes, and confirm suspected findings from the contextual and supporting data.

Socio-Economic Context

The size of the population in non-entitlement areas of Alabama grew by 9.6 percent between 2000 and 2010. Growth was more pronounced in the older cohorts, or those which included residents aged 55 to 64 and residents 65 and older. These groups grew by 40.8 percent and 19.6 percent, respectively. The elderly cohort, which includes residents aged 65 and older, grew the most rapidly at the younger end of the spectrum, as the number of residents aged 65 to 66 grew by 34.2 percent and the number of residents aged 67 to 69 increased by 29.4 percent.

As the population of the state's non-entitlement areas increased between 2000 and 2010, its racial and ethnic composition underwent a modest shift. White and black residents together accounted for 95 percent of the population in 2010, and white residents accounted for the largest share of any single group, or 76.7 percent. However, these populations grew at a relatively slow pace between Censuses, and declined slightly as a share of the overall population. At the same time, the Hispanic population grew considerably, more than doubling in number and as a share of the overall population, and accounted for 3.9 percent of the state's non-entitlement residents in 2010. Geographically, the black population was largely concentrated in the southern half of the state (the "black belt") and around the cities of Talladega, Huntsville, Madison, and Decatur. The Hispanic population was observed to be concentrated in rural areas in the north of the state.

In 2008-2012, there were an estimated 495,346 residents with disabilities in non-entitlement areas of the State of Alabama. Census tracts with relatively high concentrations of residents with disabilities were scattered throughout the state in that year. The share of residents who were living with some form of disability was 24.1 percent in 2000; however, due to changes in the ACS questionnaire in 2008 disability figures established prior to that year are not directly comparable with figures from later years.

The labor market in the state's non-entitlement areas has fluctuated considerably in the years since 1990. Overall, the nineties were a period of solid growth in the number of employed and the size of the labor force. Both declined considerably in the first few years after 2000 before strong growth in the labor market resumed in around 2003-2004. However, by 2007 that growth had leveled off, and the number of employed fell dramatically over the following two years, leading to a spike in the unemployment rate, which topped ten percent in 2009. Growth in the number of employed led to a drop in the unemployment rate over the following years. Though that growth appears to be leveling off, the unemployment has continued to fall through 2013 thanks to a reduction in the size of the labor force, and stood at 6.5 percent in that year.

Real average earnings and real per capita income (PCI) in the state as a whole have also fluctuated in the years since 2000, after a decade of relatively strong growth. Growth in earnings continued through 2004, after which the amount that the average worker earned remained close to \$46,000 for several years. That figure dropped to around \$45,000 in 2007, but showed positive growth between that year and 2010. Since 2010, earnings have held steady at approximately \$46,300 per year in 2012 dollars. Real per capita income, on the other hand, grew steadily from 2002 through 2008, fell by over \$1,000 in 2009, and has shown positive growth since that year. By 2012, the average income in the state was \$36,462. In spite of overall growth in earnings and income in the state as a whole, the poverty rate in the state's non-entitlement area rose from 15.5 to 17.2 percent from 2000 through 2012. Census tracts with relatively high poverty rates were clustered in inland areas in the south and southwest of the state.

Residents of the state's non-entitlement areas were less likely to be homeowners in 2010 than they had been in 2000, as the share of occupied unit that were owner-occupied fell from 78.3 to 75 percent (the share of renter-occupied units correspondingly grew from 21.7 to 25 percent). At the same time, vacant housing units increased as a share of the overall housing stock by 1.4 percentage points. A majority of vacant units were for rent; for sale; or for seasonal, recreational, or occasional use. However, 33.4 percent of units were classified as "other vacant" in 2010. Such units are problematic, for the reason that they are not available to the marketplace and may represent a blighting influence where they are grouped in close geographic proximity to each other. In this connection, the high concentration of "other vacant" units in and around Tuskegee is potentially a cause for concern: more than 71.5 percent of vacant units in this area were classified as "other vacant".

Though the number of larger households, or those with more than five members, increased between 2000 and 2010, the share of housing units that were overcrowded or severely overcrowded fell to two percent of all housing units. Additionally, the share of housing units with incomplete plumbing facilities fell, and though the share of housing units with incomplete kitchen facilities rose slightly, neither represented more than 0.8 percent of all housing units in the state in 2008-2012. Cost-burdening, on the other hand, impacted a larger share of

households: 15.2 percent of households had housing costs that ranged from 31 to 50 percent of their overall income, while 11.4 percent of households paid more than 50 percent of their monthly income toward housing costs.

Fair Housing Law, Study, and Case Review

Alabama residents are protected from discrimination in the housing market by the federal Fair Housing Act and the Alabama Fair Housing Law. Both prohibit discrimination on the basis of race, color, sex, religion, national origin, familial status, and disability. In spite of the existence of such prohibitions at the state and national level, fair housing studies and cases indicate that housing discrimination persists in the nation and in the State of Alabama, though discriminatory practices and policies are less overt now than in the past. In addition, the fifteen cases filed by the DOJ against housing providers in the state give some indication of the most common kinds of discrimination to which state residents have been subjected. The most common case involved allegations of discrimination on the basis of race, which was cited in seven cases, followed by discrimination against individuals with disabilities, cited in six complaints.

Fair Housing Structure

Residents of Alabama's non-entitlement areas who feel that they have been subjected to discrimination prohibited under the federal Fair Housing Act may lodge a complaint with HUD, which also promotes fair housing policy in the state through partnerships with two organizations that serve residents in southern and central Alabama. These organizations, the Center for Fair Housing and Central Alabama Fair Housing Center, provide outreach and education pertaining to fair housing law and policy in addition to furthering enforcement of fair housing law through investigation of fair housing complaints. A third organization, the Fair Housing Center of Northern Alabama, is a former participant in the FHIP program that serves residents of Northern Alabama. The Alabama Department of Economic and Community Affairs (ADECA) is the agency charged with enforcement of the state's Fair Housing Law, though resources available to the agency for promoting fair housing policy and enforcing fair housing law are limited.

Fair Housing in the Private Sector

The analysis of private sector conditions impacting housing choice in the State of Alabama included consideration of trends in home and small business lending, fair housing complaints from state residents, and results of the 2014 Impediments to Fair Housing Choice Survey. Lending data gathered under the HMDA; which must by law include information on applicants' race, ethnicity, gender, and income, along with the location of the prospective property; provide for an examination of whether and to what degree the impacts of loan denials and predatory style lending differ among protected class populations.

Residents of the state's non-entitlement areas applied for over 716,000 home purchase loans between 2004 and 2013. A majority of these loan applications were intended to finance the purchase of units in which the owner planned to live. Just over a quarter of these owner-occupied home purchase loans were denied during this time period, with denial rates increasing considerably in the four years after 2009. Denial rates tended to be higher in rural

areas in the south and southwest of the state, which held relatively high concentrations of black residents; the denial rate for black borrowers was considerably higher than the overall denial rate. Likewise, Hispanic borrowers were denied loans at a higher rate than non-Hispanic borrowers, and female borrowers were more likely to be denied a loan than male borrowers. Black borrowers tended to be denied loans more frequently in the north of the state, while Hispanic borrowers were subject to relatively high denial rates throughout the state. More than thirty percent of denied loans cited credit history as a factor in the denial, and over ten percent cited the debt-to-income ratio of the applicant. Applicants' incomes made a difference in the probability of their being denied a home loan; however, discrepancies in denial rates between races persisted even when income was taken into account.

Those applicants who were able to secure a home loan were occasionally issued a loan with a high annual percentage rate. These loans, referred to as HALs, accounted for 17.3 percent of home loans issued in the state from 2004 through 2013. These HALs tended to be more common among black borrowers, and in parts of the state with relatively high concentrations of black residents. Hispanic borrowers also received HALs more frequently than non-Hispanic borrowers, 25.5 and 16.8 percent of loans issued to these groups were HALs, respectively.

Small business loans were more commonly issued in Census tracts with moderate to high income levels than in tracts with low to moderate incomes. Geographically, these loans tended to be concentrated in the northern half of the state, as well as along the Gulf Coast. Inland Census tracts in the southern part of the state tended to receive less in the way of small business loans.

The analysis of 363 fair housing complaints lodged with HUD from January 2004 through November 2014 reveals that the most common bases for these complaints were race, cited in 183 complaints, and disability, cited in 165. The most common discriminatory actions alleged in these complaints involved discrimination in rental housing; failure to make reasonable accommodation was also a relatively common allegation. When the analysis was narrowed to examine only those complaints that were considered to have cause, disability became the most common basis for discrimination, followed by race, though discrimination in the rental housing market still dominated the discriminatory issues referenced in these complaints.

Results of the 2014 Impediments to Fair Housing Choice Survey indicate that survey participants tended more strongly to identify impediments to fair housing choice in language barriers to persons with limited English proficiency, and more than thirty percent of respondents considered housing discrimination against residents on the basis of race, national origin, familial status, and disability to represent an impediment, along with discrimination against those who participate in the Housing Choice Voucher program. In addition, 59 percent of respondents perceived the existence of impediments to fair housing choice in limited employment opportunities, and 44 percent considered limited housing choice opportunities for persons of low income to represent an impediment.

Fair Housing in the Public Sector

The review of fair housing choice in the public sector included an evaluation of the availability of public-assisted housing units throughout the state and the results of the 2014 Impediments to Fair Housing Choice Survey. Subsidized units profiled in the study included those funded in

part through the Housing Choice Voucher and Public Housing programs. Units funded through the Housing Choice Voucher Program were scattered throughout the state, but tended to be concentrated in and around urban areas. Such units were largely absent from inland, rural Census tracts in the southwest of the state. Units funded through the Public Housing Program were more numerous than those financed through the HCV program, but they followed the same overall geographic distribution, as did units purchased through a range of homebuyer assistance programs available to Alabama residents. Few of the public sector policies, practices, or factors identified in the survey were perceived to represent an impediment to fair housing choice by a majority of respondents. Exceptions included perceived social hurdles facing developers and residents of affordable housing, i.e., NIMBYism; limited access to public transportation; and limited local availability of public and social services.

Public Involvement

Opportunities for public involvement in the 2015 AI process included the 2014 Impediments to Fair Housing Choice Survey, the Fair Housing Forum held in Alabama, and a series of focus group meetings. A majority of respondents to the survey were elected city officials, representatives of non-profit organizations, local government staff, or bankers. Most had not been made aware of any fair housing complaints in their community in the last five years, and less than fifteen percent of respondents cited fair housing complaints as the source of their knowledge concerning impediments to fair housing choice identified in the public and private sector portions of the survey. Knowledgeable local officials were the most common source of information regarding impediments to fair housing choice in the community, whether in the public or private sector, followed by community organizations. Focus group meetings provided an opportunity for stakeholders in the real estate and rental housing industries to offer their perspective on issues pertaining to fair housing, as did the discussion pertaining to local government planning and zoning.

SECTION IX. IMPEDIMENTS AND SUGGESTED ACTIONS

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

The following impediments to fair housing choice were identified through review of data gathered from the above-mentioned sources, and actions were proposed to address those impediments. The State of Alabama, through ADECA as its representative, provided feedback on the impediments, and the identified and actions proposed to address those impediments. As per the request of the State, its responses to the identified impediments and proposed actions have been included in full in Appendix E.

Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: More frequent denial of home purchase loans to black, Hispanic, and female householders. This impediment was identified through review of data on home purchase loans gathered under the Home Mortgage Disclosure Act. These data include information on the purpose of the loan; the loan amount; the occupancy status of the prospective unit; the race, sex, and ethnicity of the applicant; the outcome of the loan application; reasons for loan denials; the income of the applicant; and whether or not the loan is a high-interest rate loan. The data provide an index of the experience of loan applicants, and allow for a determination of whether or not those applicants are more or less likely to be denied if they are black, Hispanic, or female.

According to these data, the average black loan applicant in the state's non-entitlement areas was almost twice as likely to be denied a home purchase loan as the average white loan applicant. Similarly, 30.7 percent of loan applications from female applicants were denied, compared to a denial rate of 22 percent for male applicants, and the denial rate for Hispanic applicants, 29.6 percent, exceeded that of non-Hispanic applicants by over six percentage points. These data do not necessarily indicate that lenders throughout the state have engaged in a pattern of illegal discriminatory lending; however, differential denial rates do present an impediment to those in protected classes who are subject to higher denial rates.

Action 1.1: Conduct outreach and education of prospective housing consumers on how to acquire and keep good credit.

Measurable Objective 1.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 2: Apparent predatory lending falls more heavily on black borrowers. This impediment was identified through review of data gathered under the HMDA, which related in part to the prevalence of high annual percentage rate loans (HALs) among home purchase loans issued in non-entitlement areas of the state. According to these data, over one quarter of the loans issued to black borrowers in the state's non-entitlement areas were HALs, compared to a HAL rate of 16.3 percent for white borrowers and an overall HAL rate of 17.3 percent. These HALs indicate the proportion of persons carrying a higher risk of foreclosure, with black borrowers carrying a higher share of such loans.

Action 2.1: Conduct outreach and education of prospective housing consumers on the attributes of a predatory style loan.

Measurable Objective 2.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 3: Discriminatory terms, conditions, privileges, or facilities relating to rental.

This impediment was identified through review of fair housing complaints lodged with the U.S. Department of Housing and Urban Development (HUD), the 2014 Real Estate Professionals Focus Group, and cases lodged by the DOJ against state housing providers on behalf of Alabama residents. Fair housing complaints pertaining to perceived discrimination in the rental housing market were the most common type of complaint with respect to the discriminatory action alleged complaints; this was true for all complaints in general as well as those considered to have cause. In addition, participants in the rental focus group discussion perceived discrimination to be more pronounced in the rental market than in the real estate market. The relative prevalence of discrimination in the rental market was born out to some degree by DOJ cases filed in the state over the last decade, eleven of which concerned discrimination in the rental housing market (out of fifteen total).

Action 3.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law, in partnership with state FHIP grantees.

Measurable Objective 3.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 4: Discriminatory refusal to rent. This impediment was identified through review of fair housing complaints submitted to HUD and the 2014 Real Estate Professionals Focus Group. Approximately fifteen percent of complaints cited discriminatory refusal to rent, specifically, and as noted above, complaints alleging violations of fair housing laws in the state's rental markets more generally were relatively common. In addition, participants in the rental focus group discussion perceived discrimination to be more pronounced in the rental market than in the real estate market. Finally, as stated above, eleven out of fifteen DOJ cases against housing providers in Alabama concerned discrimination in rental housing.

Action 4.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law.

Measurable Objective 4.1: Number of outreach and education activities undertaken and number of participants in those activities.

Impediment 5: Failure to make reasonable accommodation or modification. This impediment was identified through review of fair housing cases lodged by the Department of Justice against housing providers in Alabama, complaints submitted to HUD by or on behalf of Alabama residents, and minutes from focus group discussions. Of the fifteen fair housing cases in Alabama that HUD referred to the Department of Justice over the last decade, six of them concerned housing discrimination on the basis of disability, with failure to make reasonable accommodation a common accusation. In addition, disability was cited as the discriminatory basis in 45 percent of all complaints lodged with HUD from 2004 through 2014, and failure to make reasonable accommodation was a specific allegation in more than one-fifth of all

complaints. Among complaints considered to have cause, disability was the most common perceived basis for discrimination.

Action 5.1: Conduct outreach and education for both housing providers and housing consumers on prospective actions that are in violation of fair housing law.

Measurable Objective 5.1: Number of outreach and education activities undertaken and number of participants in those activities.

Action 5.2: Conduct audit testing to determine the number of properties currently in violation of disability standards.

Measurable Objective 5.2: Number of audit tests undertaken and properties identified as potentially in violation of disability standards.

Impediment 6: Insufficient understanding of fair housing laws. This impediment was identified through review of the 2014 Impediments to Fair Housing Choice Survey and the 2014 Real Estate Professionals Focus Group. More than half of respondents considered “lack of knowledge or understanding regarding fair housing” to represent an impediment in the State of Alabama, and 30 percent classified it as a moderate or severe impediment. The lack of understanding regarding fair housing laws was also a subject in the Rental Focus Group. One respondent maintained that, due to a lack of fair housing training, “people have no idea... that [the fair housing law] is even there to protect them...”

Action 6.1: Enhance outreach and education by conducting more education opportunities for both consumers and providers of housing

Measurable Objective 6.1: Number of outreach and education activities undertaken and number of participants in those activities.

Action 6.2: Make available both the summary and the entire study, the 2015 Analysis of Impediments to Fair Housing Choice

Measurable Objective 6.2: Publication of the summary and study on ADECA’s website.

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Insufficient fair housing testing and enforcement in non-entitlement areas of Alabama. Three fair housing organizations in the state were contacted in connection with the AI effort, and asked to provide information relating to fair housing activities undertaken in non-entitlement areas of the state, including complaint intake and fair housing testing. None of these organizations provided information concerning complaints they had receive or testing they had conducted, or responded to these requests for information in any way, and one has lost its HUD funding and is largely inactive. The perception that fair housing enforcement in the state’s non-entitlement areas was insufficient was shared in commentary at the Fair Housing Forum.

Action 1.1: Contract with a Fair Housing Initiate Program (FHIP) participant or other entity to conduct testing and enforcement activities in the non-entitlement areas of Alabama

Measurable Objective 1.1: Record of correspondence with FHIP participants or other entities, contracts entered into, and resources committed to testing and enforcement activities.

Action 1.2: Track the outcome of this testing activity

Measurable Objective 1.2: Number of tests undertaken and the results of such testing, concluding types of violations discovered, if any, and protected classes impacted by those violations.

Impediment 2: Lack of Fair Housing Initiative Program (FHIP) participation in non-entitlement areas of Alabama. Though residents of southern and central Alabama appear to be served by the Center for Fair Housing and the Central Alabama Fair Housing Center, respectively, residents of northern Alabama are not currently served by a FHIP participant. The fair housing organization operating in that part of the state is not a current FHIP grantee. This organization does not currently operate a website that would allow members of the public to learn more about its work, or fair housing in general, or to contact them directly with fair housing complaints. In addition, participation of FHIP grantees in the AI process was lacking: though the three fair housing organizations were contacted during the AI process, and were asked to provide information relating to their complaint intake and enforcement activities, none has done so.

Action 2.1: Contract with a Fair Housing Initiative Program (FHIP) participant or other entity to conduct testing and enforcement activities in the non-entitlement areas of Alabama

Measurable Objective 2.1: Record of correspondence with FHIP participants or other entities, contracts entered into, and resources committed to testing and enforcement activities.

Action 2.2: Require periodic reporting of activities undertaken

Measurable Objective 2.2: Reports submitted by participating FHIP grantees, or other entities, to ADECA on a quarterly basis, and the number and type of fair housing activities undertaken in the state's non-entitlement areas

Impediment 3: Lack of understanding of the fair housing laws and duties. This impediment was identified through review of the 2014 Impediments to Fair Housing Choice Survey. More than half of respondents considered "lack of knowledge or understanding regarding fair housing" to represent an impediment in the State of Alabama, and 30 percent classified it as a moderate or severe impediment. The lack of understanding regarding fair housing laws was also a subject in the Real Estate Professionals Focus Group. One respondent maintained that, due to a lack of fair housing training, "people have no idea... that [the fair housing law] is even there to protect them..."

Action 3.1: Form a task force to oversee the contracted FHIP entity or other entity

Measurable Objective 3.1: Formation of the task force

Action 3.2: Have the task force consider other things that ADECA can do to affirmatively further fair housing, particularly in light of budgetary constraints

Measurable Objective 3.2: Recommendations from the task force, developed in consultation with state FHIP grantees or other entities, on how to affirmatively further fair housing

Action 3.3: Have the task force meet quarterly to review the quarterly report from the FHIP and consider new business

Measurable Objective 3.3: Record and minutes of quarterly meetings

Action 3.4: Conduct outreach and education to both consumers and providers of housing

Measurable Objective 3.4: Number of outreach and education activities undertaken and the number of participants in those activities.

Action 3.5: Coordinate outreach activities during Fair Housing Month, April of each year

Measurable Objective 3.4: Record of outreach activities undertaken in partnership with state FHIP participants, or other entities

Impediment 4: Limited enforcement of the State of Alabama Fair Housing Law. The State of Alabama Fair Housing Law (Ala. Code §24-8-1 et seq.) provides for a range of legal rights pertaining to fair housing, roughly corresponding to those provided for in the federal Fair Housing Act. In addition, the state Fair Housing Law establishes a procedure by which the State will accept complaints and investigate claims of discrimination in the housing market, and identifies the Alabama Department of Economic and Community Affairs (ADECA) as the agency responsible for carrying out the provisions of the law. (The full text of the Alabama Fair Housing Law is included in **Appendix F.**)

However, the resources available to enable ADECA to enforce the state fair housing law are limited, particularly in light of the agency's responsibility to conduct the economic and community development activities that represent the core of its mission. Nevertheless, as the Alabama agency vested with the responsibility to provide recourse to those who feel that they been subjected to unlawful discrimination in the housing market, ADECA should seek avenues by which it may more actively promote the enforcement of the state's fair housing law. Such avenues should include closer coordination and cooperation with the state's Fair Housing Initiative Program Grantees and other fair housing organizations.

Action 4.1: Include language on ADECA's website noting that discrimination in the housing market is illegal under state as well as federal law, defining the classes that are protected under state law, examples of violations of the law, and who is covered under state law.

Measurable Objective 4.1: Inclusion of the language described above on the ADECA website

Action 4.2: Establish a process by which ADECA will accept complaints from those who feel that they have been subject to illegal discrimination in the housing market, advertise how the process works, and include housing complaint forms on ADECA's website notifying residents where to file and who to contact.

Measurable Objective 4.2: Development of complaint process, publication of complaint process on ADECA's website, including web links to complaint forms

Action 4.3: Establish a procedure for investigation of fair housing complaints, or partnerships with non-profit fair housing organizations to that end, within the limits of the State Fair Housing Law. Document this process on the ADECA website.

Measurable Objective 4.3: Establishment and documentation of the procedure

SECTION X. GLOSSARY

Accessible housing: Housing designed to allow easier access for physically disabled or vision impaired persons.

ACS: American Community Survey

AI: Analysis of Impediments to Fair Housing Choice

AMI: Area median income

BEA: Bureau of Economic Analysis

BLS: Bureau of Labor Statistics

CDBG: Community Development Block Grant

Census tract: Census tract boundaries are updated with each decennial census. They are drawn based on population size and ideally represent approximately the same number of persons for each tract.

Consolidated Plan: Consolidated Plan for Housing and Community Development

Cost burden: Occurs when a household has gross housing costs that range from 30.1 to 50 percent of gross household income.

CRA: Community Reinvestment Act

Disability: A lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work.

Disproportionate share: Exists when the percentage of a population is 10 percentage points or more above the study area average.

DOJ: U.S. Department of Justice

ESG: Emergency Shelter Grants program

Fannie Mae: Federal National Mortgage Association (FNMA), a government-sponsored enterprise that purchases mortgages from lenders and repackages them as mortgage-backed securities for investors.

Family: A family is a group of two people or more related by birth, marriage, or adoption and residing together.

FFIEC: Federal Financial Institutions Examination Council

FHAP: Fair Housing Assistance Program

FHEO: Fair Housing and Equal Opportunity

FHIP: Fair Housing Initiative Program

Floor area ratio: The ratio of the total floor area of a building to the land on which it is situated, or the limit imposed on such a ratio.

Freddie Mac: Federal Home Loan Mortgage Corporation (FHLMC), a government-sponsored enterprise that purchases mortgages from lenders and repackages them as mortgage-backed securities for investors.

GAO: U.S. General Accounting Office

Gross housing costs: For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent and electricity or natural gas energy charges.

HAL: High annual percentage rate (APR) loan, defined as more than three percentage points higher than comparable treasury rates for home purchase loans, or five percentage points higher for refinance loans.⁶²

HMDA: Home Mortgage Disclosure Act

HOME: HOME Investment Partnerships

HOPWA: Housing Opportunities for Persons with AIDS

Household: A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall.

Housing problems: Overcrowding, incomplete plumbing or kitchen facilities, or cost burdens

HUD: U.S. Department of Housing and Urban Development

Incomplete kitchen facilities: A housing unit is classified as lacking complete kitchen facilities when any of the following are not present: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator.

Incomplete plumbing facilities: A housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower.

Labor force: The total number of persons working or looking for work

MFI: Median family income

Mixed-use development: The use of a building, set of buildings, or neighborhood for more than one purpose.

MSA: Metropolitan Statistical Area

NIMBYism: "Not in my backyard" mentality among community members, often in protest of affordable or multi-family housing.

Other vacant units: Housing units that are not for sale or rent

Overcrowding: Overcrowding occurs when a housing unit has more than one to 1.5 persons per room.

Poverty: The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

Predatory loans: As defined by the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA), loans are considered predatory based on:

If they are HOEPA loans;⁶³

Lien status, such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and

Presence of HALs. For full definition, see **HAL**.

⁶² 12 CFR Part 203, http://www.ffiec.gov/hmda/pdf/regc_020702.pdf

⁶³ Loans are subject to the HOEPA if they impose rates or fees above a certain threshold set by the Federal Reserve Board. "HMDA Glossary." <http://www.ffiec.gov/hmda/glossary.htm#H>

Protected Class: Group of people protected from discrimination and harassment. Alabama residents are protected from housing discrimination based on race, sex, religion, familial status, disability, national origin, and color.

Public housing: Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

RDA: Redevelopment agency

Severe cost burden: Occurs when gross housing costs represent 50.1 percent or more of gross household income.

Severe overcrowding: Occurs when a housing unit has more than 1.5 persons per room.

Steering: Actions of real estate agents or landlords to discourage a prospective buyer or tenant from seeing or selecting properties in certain areas due to their racial or ethnic composition.

Tenure: The status by which a housing unit is held. A housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

